

**Annual Report of the
Supplemental Security Income Program**



Social Security Administration

May 2002



SOCIAL SECURITY

Office of the Commissioner

May 30, 2002

President George W. Bush
The White House
Washington, D.C.

The Honorable J. Dennis Hastert
Speaker of the House of Representatives
Washington, D.C.

The Honorable Richard B. Cheney
President of the Senate
Washington, D.C.

Gentlemen:

I have the honor of transmitting to you the 2002 Annual Report of the Supplemental Security Income Program (the sixth such report), in compliance with section 231 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

As I am sure you are aware, in 1997 the General Accounting Office declared SSI to be a high risk program. I am determined to take the action necessary to address the problems identified by GAO. I have met with the Comptroller General and have developed a corrective action plan.

In my commitment to SSA's mission of managing America's social security programs, two of my top goals are: (1) delivering quality citizen-centered service in a timely and efficient manner, and (2) providing accountable stewardship to taxpayers by ensuring superior financial, performance and budget management and integrity in all payments, records and processes. Emphasizing these two goals is particularly important for the SSI program. I hope that the contents of this report will enable you to understand how seriously we take our role in this area.

Sincerely,

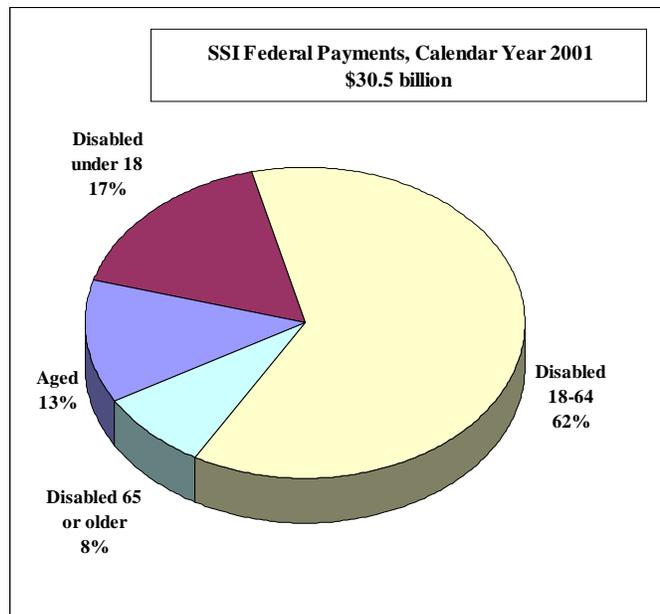
Jo Anne B. Barnhart
Commissioner

EXECUTIVE SUMMARY

In the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104-193), the Congress required the Commissioner of Social Security to report annually to the President and to the Congress on the status of the Supplemental Security Income (SSI) program. A required element of these reports is to provide projections of program participation and costs through at least 25 years. This report is the sixth of such reports, and following are some of its major highlights and findings.

Highlights of the SSI Program

- The SSI program is a nationwide Federal assistance program administered by the Social Security Administration (SSA) that guarantees a minimum level of income for needy aged, blind, or disabled individuals. It acts as a safety net for individuals who have little or no Social Security or other income and limited resources.
- In January 2002, 6.4 million individuals received monthly Federal SSI payments averaging \$374 versus 6.4 million with an average payment of \$363 in January 2001.
- Federal expenditures for cash payments under the SSI program during calendar year 2001 totaled \$30.5 billion, and the cost of administering the SSI program in fiscal year 2001 was \$2.4 billion. The equivalent 2000 amounts were \$28.8 billion and \$2.4 billion, respectively.
- SSA has developed a new Corrective Action Plan to better manage the SSI program and effect the removal of the program from the General Accounting Office's (GAO) list of high-risk programs. The SSI program has been included in GAO's list since 1997.
- The Ticket to Work and Self-Sufficiency program, established to provide disabled beneficiaries with vocational rehabilitation, employment, and other support services, was introduced in 13 States in the first half of 2002 and will be in operation nationwide by January 2004.



Major Findings of the Report

- By 2026, the end of 25-year projection period, the Federal SSI recipient population is estimated to reach 8.2 million. The projected growth in the SSI program over the 25-year period is largely due to the overall growth in the U.S. population. The rate of participation is projected to vary somewhat by age group, with the overall participation of the 65 or older age groups projected to decline and the participation of the under 65 age groups projected to slightly increase.
- Expressed as a percentage of the total U.S. population, the number of Federal SSI recipients remained level at 2.2 percent in 2001, and is projected to grow slightly to 2.37 percent of the population by 2026.

- Federal expenditures for SSI payments in calendar year 2002 are estimated to increase by \$1.4 billion to \$31.9 billion, an increase of 4.6 percent from 2001 levels.
- In constant 2002 dollars, Federal expenditures for SSI payments are projected to increase to \$41.6 billion in 2026, a real increase of 1.1 percent per year.
- When compared to the Gross Domestic Product (GDP), Federal SSI expenditures are projected to decline over time, from the current level of 0.30 percent of GDP in 2001 to 0.25 percent of GDP by 2026.

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I. INTRODUCTION

The Supplemental Security Income (SSI) program was established by Congress in 1972, with payments beginning in January 1974. It is administered by the Social Security Administration (SSA). SSI replaced the former Federal-State programs of Old-Age Assistance (OAA), Aid to the Blind (AB), and Aid to the Permanently and Totally Disabled (APTD) in the 50 States and the District of Columbia. Residents of the Northern Mariana Islands became eligible for SSI in January 1978.

Under the SSI program, each eligible person living in his/her own household and having no other countable income is provided in 2002 a monthly Federal cash payment of \$545 (\$817 for a couple if both members are eligible). Since 1975, these Federal SSI benefit rates have been increased by applying the same cost-of-living adjustment that has been applied to benefits under the Old-Age, Survivors, and Disability Insurance (OASDI) program. In addition to setting a Federal benefit standard, the legislation establishing SSI also permitted individual States to supplement the Federal payment with an additional monthly amount. As described in section III, these State supplementation payments can be either voluntary at the option of the individual States or, in certain cases, mandatory under requirements in effect when the SSI program began.

Under section 231 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, the Commissioner of Social Security is required to submit a report on the SSI program to the President and Congress no later than May 30 of each year. This is the sixth annual report on the SSI program. The legislative mandate requires that the report include:

- A comprehensive description of the SSI program;
- Historical and current data relating to (1) claims intake and dispositions at all levels of decision making; (2) demographic information about recipients, including program cost and prior enrollment in other public benefit programs; (3) redeterminations, continuing disability reviews, and utilization of work incentives; (4) administrative costs; and (5) State supplementation program operations;
- 25-year projections of future participation rates and program costs;
- A historical summary of statutory changes to title XVI of the Social Security Act; and
- Summaries of any relevant research on the SSI program by SSA or others.

In addition, the legislation specified that the report may include views of the SSI program by the Social Security Advisory Board.

Much of the required information is the subject of extensive ongoing research. In responding to each of the specific requests for information, every effort has been made to provide the best information available at this time. SSA will continue to make improvements upon such information, in order to provide the President and Congress with the input necessary to effectively manage this important part of our society's social safety net.

II. HIGHLIGHTS

A brief history and comprehensive description of the SSI program is presented in section III. This section presents highlights of recent SSI program experience, a summary of important changes to the program in the last year, a discussion of current issues facing the SSI program, and a summary of the key results from the 25-year forecasts.

A. RECENT PROGRAM EXPERIENCE

SSI program experience during the past year included the following:

- During 2001, 1.6 million individuals applied for SSI benefits based on blindness or disability, an increase of 4 percent over 2000. An additional 0.1 million applied for SSI benefits based on age, a decrease of 5 percent from 2000.
- On average during calendar year 2001, 6.4 million individuals received Federal SSI benefits on a monthly basis. This group was composed of 1.2 million aged recipients, 5.2 million disabled recipients, and fewer than 0.1 million blind recipients. An estimated 7.2 million aged, blind, or disabled individuals received at least 1 month's Federal SSI benefit during the year.
- Federal expenditures for cash payments under the SSI program during calendar year 2001 totaled \$30.5 billion.
- On average during calendar year 2001, 2.5 million individuals received Federally-administered State supplementary payments on a monthly basis. This group was composed of 0.6 million aged recipients, 1.9 million disabled recipients, and fewer than 0.05 million blind recipients. An estimated 2.8 million individuals received at least 1 month's Federally-administered State supplementary payment during calendar year 2001.
- State expenditures for Federally-administered supplements during calendar year 2001 totaled \$3.5 billion, excluding fees for Federal administration.
- The percentage of SSI recipients participating in direct deposit has doubled since 1995, reaching 50 percent in 2001.
- The cost of administering the SSI program in fiscal year 2001 was \$2.4 billion, which was roughly 7 percent of total Federally-administered SSI expenditures.
- Pursuant to Public Law 106-554, a one-time payment was issued in July 2001 to correct an error by the Bureau of Labor Statistics in the calculation of the Consumer Price Index (CPI) that resulted in a lower Federal benefit rate for individuals in 2000 and 2001. Most individual SSI recipients received \$19, representing a \$1 increase in the monthly payment amount from January 2000 through July 2001. Monthly payments beginning in August 2001 were based on the adjusted Federal benefit rate for individuals.

B. SSI LEGISLATION SINCE THE 2001 ANNUAL REPORT

In 2001, there was only one minor legislative change to the SSI program. This change, which was included in the Economic Growth and Tax Relief Reconciliation Act of 2001 (Public Law 107-16), enacted June 7, 2001, increases child tax credit amounts gradually from \$500 for each child to \$1,000 per child in 2010. It also expands the child tax credit by making it refundable for low-income workers and excludes the refundable child tax credit from income or resources in determining eligibility for means-tested programs, including SSI. The refundable child tax credit is excluded from SSI countable resources in the month of receipt and in the following month.

C. CURRENT ISSUES FACING THE SSI PROGRAM

In each of the past 4 years, the current issues section of this report has noted that the stewardship and integrity of the SSI program are the primary issues confronting SSA in its responsibility for administering the program. Agency stewardship and program integrity remain the major issues facing SSI in 2002.

1. Stewardship and Program Integrity (1998-2001)

Before describing SSA's efforts to meet the challenges provided by the SSI program, it is important to reiterate that the over 6.7 million aged, blind, or disabled individuals receiving Federally-administered SSI payments are among the most vulnerable Americans, who have little in the way of income or resources. For them, SSI is truly the program of last resort and is the safety net that protects them from complete impoverishment.

When the SSI program was designed in 1972, SSA was designated as the agency responsible for its administration because of its existing infrastructure and reputation for accurate, efficient, humane and dignified administration of the OASDI social insurance programs. As stated in a 1977 report by staff of the Senate Finance Committee, "[d]espite very severe problems, Social Security Administration personnel by hard work, long hours, and considerable ingenuity managed to short circuit many of the bottlenecks, keep the program going, and gradually but significantly improve program performance."

SSA's administration of the SSI program came under criticism in 1997, when the General Accounting Office (GAO) designated SSI as a high-risk program because of the existence of overpayments of over \$1 billion. SSA responded to the issues raised by GAO by developing a comprehensive plan to improve payment accuracy and management of the SSI program titled "Management of the Supplemental Security Income Program: Today and in the Future" dated October 1998. As part of that plan, SSA sought and obtained legislation in the Foster Care Independence Act of 1999 that strengthened its ability to obtain applicant income and resource information from financial institutions, access State databases for essential eligibility information, and use credit bureaus, private collection agencies, interest levies, and other tools to recover delinquent debt.

The initiatives undertaken since 1998 to improve SSA's management of the SSI program have yielded measurable successes. SSA now does a better job of identifying and collecting SSI debt. For example, SSI overpayment collections as a percent of SSI outlays are 33 percent higher in fiscal year 2001 than they were in fiscal year 1998, and overpayment detections as a percent of program outlays are 32 percent higher. Importantly, this increase in the rate of detections and collections occurred while payment accuracy remained stable. That is, the increase came from improved detection and collection performance, not increased error.

The following table illustrates that success. It documents that in fiscal year 2001 alone, SSA identified \$477 million more overpaid dollars and collected \$205 million more debt than we would have had the initiatives not been implemented.

Table II.C1.—Trends in Detection and Recovery of SSI Overpayments, Fiscal Years 1998-2001
(Amounts in millions)

	1998	1999	2000	2001	2001 performance at 1998 rates	Excess actual detections and collections
Federally-administered SSI outlays ¹ . . .	\$30,371	\$31,342	\$31,968	\$33,266		
New detections:						
Amount	\$1,346	\$1,813	² \$1,461	\$1,951	\$1,474	+\$477
Percent of outlays	4.4%	5.8%	4.6%	5.9%	4.4%	
Collection:						
Amount	\$539	\$640	\$702	\$796	\$591	+\$205
Percent of outlays	1.8%	2.0%	2.2%	2.4%	1.8%	
SSI payment accuracy rate ³	94.1%	94.9%	94.7%	N/A		

¹ Thirteen months of benefits were paid in 2000 and 11 months were paid in 2001 because October 1, 2000 fell on a weekend. The amounts shown on this line for 2000 and 2001 have been adjusted for comparability to reflect 12 months for each year.

² The amount detected in 2000 declined relative to the amount shown for 1999 due to limited resources resulting in 300,000 fewer redeterminations and match alerts being processed in 2000 versus 1999.

³ Computed excluding unavoidable erroneously paid dollars. Variance in the accuracy rate over the period 1998-2000 was not statistically significant.

In the past year, SSA has continued to engage in an aggressive program to deter, detect, investigate and prosecute fraud. SSA’s leadership has supported efforts to expand the capabilities of the Office of the Inspector General to improve the accuracy and integrity of the agency’s work. SSA has taken numerous actions to strengthen its research and policy development role. It has increased the number of redeterminations of nondisability factors and the number of continuing disability reviews (CDRs) to assure continuing eligibility for disability.

Experience has shown that the most powerful tool SSA has to detect and prevent improper payments¹ in the SSI program is to perform more redeterminations. A “redetermination” is a periodic review of the non-disability factors of eligibility for SSI. Since fiscal year 1998, SSA has taken action to both increase the number of redeterminations processed and to improve the profiles that are used to select cases for this review. These improvements resulted in \$131 million in overpayments collected or prevented.

The following table shows the number of redeterminations selected for review over the period 1998-2001, including their outcomes.

Table II.C2.—Total Redeterminations Selected for Review, Fiscal Years 1998-2001

Fiscal year	Number of redeterminations	Overpayments detected (In billions)	Underpayments detected (In billions)
2001	2,986,300	\$2.7	\$1.5
2000	2,590,400	2.1	.9
1999	2,881,900	2.5	1.0
1998	2,622,650	1.9	1.0

The CDR process is also a major component in SSA’s effort to ensure the integrity of the SSI program. It is the primary process used to monitor the disability status of beneficiaries. Since the CDR process applies also to OASDI disabled recipients, the funding and administration of the CDR process is carried out jointly for both programs administered by SSA.

Using special funding provided by Congress for fiscal years 1996-2002, SSA has dramatically expanded the number of CDRs conducted under both the SSI and OASDI programs. As shown in table II.C3 below, the number of SSI-only CDRs have increased from 389,000 in 1998 to 651,000 in 2001.

Table II.C3.—Continuing Disability Reviews, Fiscal Years 1998-2001

Fiscal year of initial CDR decision	CDRs conducted ¹ (In thousands)			Estimated ultimate cessations—after all appeals (In thousands)		
	OASDI	SSI only	Total	OASDI ²	SSI only	Total
2001	1,006	651	1,657	N/A	N/A	N/A
2000	1,110	637	1,747	19	57	76
1999	838	792	1,630	17	70	87
1998	967	389	1,356	23	47	70

¹ Those conducted as part of the centralized CDR scheduling process.

² Including beneficiaries concurrently receiving OASDI and SSI benefits.

¹ Includes both overpayments and underpayments.

As shown in table II.C4, CDRs have been very effective in reducing SSI program outlays. It is estimated that \$2.3 billion in lifetime Federal SSI program savings and another \$1.4 billion in lifetime Federal Medicaid program savings will result from CDRs conducted in fiscal year 2000.

Table II.C4.—Estimated Present Value of Lifetime Program Savings Due to CDRs Conducted in Fiscal Years 1998-2000
(In millions)

Fiscal year of initial CDR decision	OASDI	SSI ¹	HI	SMI	Medicaid	Total
2000	\$1,545	\$2,275	\$495	\$365	\$1,350	\$6,030
1999	1,245	2,795	490	360	1,210	6,100
1998	1,710	1,885	670	600	710	5,575

¹ Includes SSI savings from CDRs initiated under OASDI for beneficiaries concurrently receiving OASDI and SSI benefits.

2. Corrective Action Plan (2002-2005)

Notwithstanding the recent progress of these various efforts, SSA recognizes that it can do more, and is committed to providing ongoing management attention to the SSI program. To improve the management of the SSI program, SSA is focusing on four areas—commitment to timely processing of CDRs, improved prevention of overpayments, increased overpayment detection, and increased collection of debt. To this end, SSA has developed a new Corrective Action Plan directed at the issues raised by GAO in its “high-risk” designation. The new Corrective Action Plan outlines the initiatives SSA intends to pursue, gives a description of new tools SSA will provide, and pledges explicit executive accountability for results.

Over the fiscal year period 1996-2002, SSA’s ability to reduce the backlog of CDRs that were due, and to get on a schedule of conducting all reviews as they come due in a timely manner, has been facilitated by special administrative expense funding that was provided by Congress. Using that special funding, SSA expects to become current in our processing of SSI CDRs by the end of 2002. Furthermore, even after the expiration of the special CDR funding authority, our fiscal year 2003 budget submission anticipates that we will continue to process all CDRs coming due in a timely fashion. This Fiscal Year 2003 Budget plan provides tangible assurance of SSA’s commitment to maintaining the integrity of the SSI disability rolls. The CDRs being conducted in 2002 together with those anticipated in the Fiscal Year 2003 Budget are estimated to result in lifetime savings to the SSI program of over \$4 billion.

The top two reasons for SSI overpayment errors are unreported wages and unreported bank accounts with substantial assets. To prevent overpayments before they occur, SSA will test various cost-effective wage reporting methods for workers at higher risk for wage-related overpayments, and will implement those methods that work best. SSA also plans to electronically access the records of financial institutions to determine if an applicant or recipient has unreported income or assets, and will use credit bureaus and public databases to detect unreported income or resources.

Experience has proven that the most powerful tool SSA has to *detect and prevent* overpayments is to perform more redeterminations. SSA has sought funding to perform 2.25 million redeterminations in fiscal year 2002. The Commissioner recently decided to provide an additional \$21 million to increase the number of redeterminations of more complicated, error-prone cases conducted this year. And SSA is committed to conducting 2.45 million redeterminations in fiscal year 2003. That means that approximately one of every three SSI recipients will have their eligibility reviewed at some time during each of these years.

To better *detect and prevent* overpayments, online access to data will be increased to improve SSA’s ability to perform verification of documents and claimant allegations. Online access to such data will detect and prevent overpayments better than traditional methods, will reduce administrative costs associated with current paper bound processes (e.g., requesting certified copies), and will improve service by decreasing processing time when verifications are required.

SSA also will increase its emphasis on *collecting* the debt detected. A new debt collection measurement tool has been developed for fiscal year 2003 and beyond. The new tool will enable SSA to characterize those portions of our debt portfolio that are subject to being collected and those that are not set up in a repayment agreement, with the goal being to obtain repayment agreements from more debtors. Cross-program recovery of SSI debt from Social Security benefits has also been implemented. SSA is currently developing regulations to institute administrative wage garnishment for public- and private-sector employees who have outstanding SSI overpayments.

In addition to the operational and management improvements, SSA will continue to assess potential changes in SSI policies in order to reduce error. In particular, SSA will focus on simplification of the program as a way of preventing payment errors. Legislative proposals for simplifying the SSI program are under development, and additional analysis will be done in order to assess the impact of other policy changes on program costs and on beneficiaries.

SSA anticipates that successful implementation of the Corrective Action Plan will put into place policies, tools, and incentives necessary for all SSA employees responsible for the SSI program to improve the administration of this complex program, detect and recover overpayments, and greatly reduce fraud, waste and abuse. SSA is continuing to make improvements by looking at new, innovative ways to make its administration accurate, efficient, humane, and dignified. By its nature, this effort is an ongoing challenge.

3. Special Disability Workload

SSA has found that due to Agency oversights, it failed to recognize that approximately 500,000 past and present SSI recipients had the necessary insured status to qualify for Social Security Disability Insurance (DI) benefits. For the affected individuals, this could mean an increase in the combined monthly benefit received from SSI and/or DI. SSA is working diligently to address these past oversights. As a result, there will be significant increases in administrative costs over the near term for both the SSI and DI programs. SSA has taken steps to correct these oversights on an ongoing basis for the future. This will mean that an appropriate portion of a recipient's monthly benefit will now be paid from the Disability Insurance Trust Fund, rather than the General Fund of the Treasury. The net effect of this correction is to lower somewhat future payments under the SSI program, and this effect is reflected in the estimates of future outlays shown later in this report.

D. KEY RESULTS FROM THE 25-YEAR FORECASTS

The major findings in the 25-year forecasts prepared for this report are summarized below:

- Following recent declines in the SSI recipient population due to the combined impact of Public Law 104-121 and Public Law 104-193, modest growth in the SSI rolls resumed in 1998, and is expected to continue throughout the projection period largely due to the growth in the U.S. population. By 2026, the Federal SSI recipient population is estimated to reach 8.2 million. Expressed as a percentage of the total U.S. population, the number of Federal SSI recipients is projected to grow slightly from 2.22 percent of the population in 2001 to 2.37 percent by 2026.
- Federal expenditures for SSI payments in calendar year 2002 are estimated to increase by \$1.4 billion to \$31.9 billion, an increase of 4.6 percent from 2001 levels. In constant 2002 dollars, SSI program outlays are projected to increase to \$41.6 billion in 2026, a real increase of 1.1 percent per year.
- Furthermore, when compared to the Gross Domestic Product (GDP), Federal SSI expenditures are projected to decline over time, from the current level of 0.30 percent of GDP in 2001 to 0.25 percent of GDP by 2026.

III. THE SUPPLEMENTAL SECURITY INCOME PROGRAM

The Supplemental Security Income (SSI) program is a nationwide Federal assistance program administered by the Social Security Administration (SSA) that guarantees a minimum level of income for needy aged, blind, or disabled individuals. In January 2002, 6.7 million individuals received Federally-administered monthly SSI benefits averaging \$405. Of these, 6.4 million received monthly Federal SSI payments averaging \$374, and 2.5 million received monthly State supplementation payments averaging \$123.

A. BACKGROUND

Entitlement programs for the aged, blind, or disabled have their roots in the original Social Security Act of 1935. That Act established an old-age social insurance program to be administered by the Federal Government and an old-age means-tested assistance program to be administered by the States. Similar programs for the blind or disabled were added to the Act in later years. Means-tested assistance provided a safety net for individuals who were either ineligible for Social Security or whose benefits could not provide a basic living.

This means-tested assistance comprised three separate programs—Old-Age Assistance (OAA), Aid to the Blind (AB), and Aid to the Permanently and Totally Disabled (APTD). Despite substantial Federal financing, these programs were essentially State programs. Federal law established only broad guidelines and assistance. Federal financing was open-ended in the sense that the Federal Government would provide matching funds to support whatever payment levels the States established, with no maximum or minimum standards. Consequently, each State was responsible for setting its own standards for determining who would get assistance and how much they would receive.

Beginning in the early 1960s, this State-operated, Federally-assisted welfare system drew criticism that was directed at the “crazy quilt” eligibility requirements and payment levels. Other criticism centered on specific requirements, such as lien laws and provisions that required certain relatives to bear responsibility for the maintenance of needy family members.

Responding to these concerns, Congress passed and the President approved the SSI program in 1972, reversing the Federal and State roles with regard to adult assistance. Under the new arrangement, SSI would provide a uniform Federal income floor while optional State programs supplemented that floor. The new program was historic in that it shifted from the States to the Federal Government the responsibility for determining who would receive assistance and how much assistance they would receive.

B. THE BASIC PLAN

The main objective of the SSI program is to provide the basic cash support of needy aged, blind, or disabled individuals. Congress designed the SSI program based on the following principles:

- Eligibility requirements and benefit standards that are nationally uniform and eligibility determinations based on objective criteria;
- An assistance source of last resort for the aged, blind, or disabled whose income and resources are below specified levels;
- Incentives and opportunities for those recipients able to work or to be rehabilitated that would enable them to reduce their dependency on public assistance;
- An efficient and economical method of providing assistance;

- Inducements to encourage States to provide supplementation of the basic Federal benefit and protection for former recipients of State adult assistance programs who were converted to the SSI program; and
- Appropriate coordination of the SSI program with the food stamp, medical assistance, and other programs.

C. UNIFORM STANDARDS AND OBJECTIVE CRITERIA

Prior to the SSI program, the eligibility of aged, blind, or disabled individuals for Federally-funded adult assistance depended on the State in which they lived. Benefit amounts varied from State to State. The SSI program replaced the State-run programs with a national program with uniform standards and objective eligibility criteria. These standards include:

- A uniform limitation on the dollar amount or value of income and resources that an individual can have and still qualify for SSI assistance. The countable income limits for individuals and couples are equal to their respective Federal benefit rates¹ and hence are increased annually according to changes in the cost of living. Effective January 1, 2002, the Federal benefit rate is \$545 a month for individuals and \$817 a month for couples. The resource limit is \$2,000 in countable resources for individuals and \$3,000 for couples.
- Sixty-five as the minimum age requirement for assistance based on age.
- A uniform definition of disability and blindness. The definitions for individuals 18 or older are the same as those used for the Social Security Disability Insurance program. In order to be considered disabled, an individual must have a medically determinable physical or mental impairment which is expected to last or has lasted at least 12 continuous months or result in death and (1) if 18 or older prevents him/her from doing any substantial gainful activity² or (2) if under 18 results in marked and severe functional limitations.³ However, individuals for whom addiction to drugs or alcoholism is a contributing factor material to the determination of their disabilities are not eligible for benefits.⁴ In order to be considered blind, an individual must have central visual acuity of 20/200 or less in the better eye with the use of a correcting lens or have tunnel vision of 20 degrees or less.
- Uniform standards for citizenship and residency. In order to be eligible for SSI, an individual must be a citizen (or national) of the United States, an American Indian born in Canada who is under section 289 of the Immigration and Nationality Act (INA), an American Indian born outside the United States who is a member of a Federally recognized Indian tribe under section 4(e) of the Indian Self-Determination and Education Assistance Act, a noncitizen who was receiving SSI benefits on August 22, 1996, or be a qualified alien in one of the following categories:⁵

¹ See table IV.A2 for historical and estimated future Federal benefit rates.

² “Substantial gainful activity” (SGA) is used to describe a level of work activity that is both substantial—i.e., involves the performance of significant physical and/or mental duties which are productive—and gainful—i.e., performed for remuneration or profit. Generally earnings from work activity of over \$780 a month is evidence of ability to engage in SGA. If an SSI *applicant* is earning over \$780 a month, he/she generally would not be considered disabled. However, if an SSI *recipient* is earning over \$780 a month, he/she could continue to be eligible for SSI. (See “Incentives for Work and Opportunities for Rehabilitation” section III.E.) The SGA level of \$780 was increased from \$740 effective January 1, 2002 (65 FR 82905). Increases in the SGA level in subsequent years will be based on increases in the national average wage index.

³ The definition of disability and blindness for individuals under age 18 reflects amendments made by Public Law 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. Prior to this, the law required a medically determinable physical or mental impairment of comparable severity to that required for individuals 18 or older.

⁴ This provision reflects amendments made by title I of Public Law 104-121, the Senior Citizens’ Right to Work Act of 1996, enacted March 29, 1996.

⁵ These standards reflect amendments made by Public Law 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 as amended by Public Law 104-208, Public Law 105-33 and Public Law 105-306. Prior to this, the law permitted SSI eligibility for individuals who were residents of the United States and—citizens or nationals of the United States; aliens lawfully admitted for permanent residence in the United States; or aliens permanently residing in the United States under color of law.

- Certain noncitizens who are blind or disabled and were lawfully residing in the United States on August 22, 1996;
- Refugees (eligibility generally limited to the 7-year period after their arrival in the United States);
- Asylees (eligibility generally limited to the 7-year period after the date they are granted asylum);
- Noncitizens who have had their deportations withheld under section 243(h) of the INA as in effect prior to April 1, 1997, or who have had their removals withheld under section 241(b)(3) of the INA (eligibility generally limited to the 7-year period after the date that deportation or removal is withheld);
- Cuban and Haitian entrants under section 501(e) of the Refugee Education Assistance Act of 1980 (eligibility generally limited to the 7-year period after the date that entrant status is granted);
- Amerasian immigrants admitted pursuant to section 584 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1988, and subsequent amendments (eligibility generally limited to the 7-year period after their arrival in the United States);
- Noncitizen active duty Armed Forces personnel, honorably discharged veterans, and their spouses and dependent children; or
- Lawful permanent residents who have earned, or can be credited (from their spouses or parents) with, 40 qualifying quarters of earnings.

Note: Qualified alien status includes noncitizens (or their parents or children) who have been battered or subjected to extreme cruelty in the United States by a spouse or parent (or a member of the spouse's or parent's family) with whom they live, and who have an approved petition, or have a petition pending, setting forth a *prima facie* case for adjustment of their immigration status. A complete list of noncitizens who are considered qualified aliens can be found in the Glossary under "Qualified Alien". However, to be eligible to receive SSI benefits, these noncitizens also must be in one of the categories listed above.

Finally, certain noncitizens may be eligible for SSI regardless of their immigration status if they have been determined to be victims of severe forms of trafficking in persons in the United States¹. Such individuals are treated for SSI purposes as refugees. That is, they are eligible for SSI for 7 years after a determination is made that they are trafficking victims.²

In addition to having to be a U.S. citizen (or national) or in one of the potentially eligible noncitizen categories, an individual must reside in the 50 States, the District of Columbia or the Northern Mariana Islands. An individual also must be physically present in the United States³ for 30 consecutive days, if he/she had been outside of the United States for 30 or more consecutive days.

¹ Generally defined as the recruitment, harboring, transportation, provision, or obtaining of a person for labor or services through the use of force, fraud, or coercion for the purpose of subjection to involuntary servitude, peonage, debt bondage, or slavery.

² Public Law 106-386, the "Victims of Trafficking and Violence Protection Act of 2000," enacted October 28, 2000.

³ Fifty States, the District of Columbia or the Northern Mariana Islands.

There are two exceptions to the residency and physical presence requirements:

- Blind or disabled children who are citizens of the United States may continue to be eligible for payments if they are living outside the United States with a parent who is on duty as a member of the U.S. Armed Forces.
- Students studying abroad for not more than 1 year also may continue to be eligible for payments if the studies are sponsored by a U.S. educational institution but cannot be conducted in the United States.

D. ASSISTANCE OF LAST RESORT

As a means-tested program, SSI takes into account all income and resources that an individual has or can obtain. The amount of an individual's countable income and resources are the measure of his/her need for assistance.

1. Income

The amount of an individual's income is used to determine both eligibility for, and the amount of, his/her SSI benefit. As countable income increases, an individual's SSI benefit amount decreases. Generally, ineligibility for SSI occurs when countable income equals the Federal benefit rate plus the amount of applicable Federally-administered State supplementary payment (State supplementation is discussed later).

The monthly Federal benefit rate¹ is reduced dollar-for-dollar by the amount of the individual's "countable" income—i.e., income less all applicable exclusions. Countable income is determined on a calendar month basis. The result of this computation determines SSI eligibility and the amount of the benefit payable. These benefit rates are adjusted annually (in January) to reflect changes in the cost of living.

When an individual lives in the household of another and receives support and maintenance in kind (i.e., generally room and board) from the householder, the Federal SSI benefit rate is reduced by one-third in lieu of counting the actual value of the support and maintenance as unearned income. The value of food, clothing, or shelter-related items the individual receives in kind from persons other than the householder (including in-kind assistance from outside the household in which he/she lives) is counted as unearned income. However, the amount that is countable is limited to an amount equal to one-third of the applicable Federal benefit rate plus \$20.

SSI law defines two kinds of income—earned and unearned. Earned income is wages, net earnings from self-employment, remuneration for work in a sheltered workshop, royalties on published work, and honoraria for services. All other income is unearned including, for example, Social Security benefits, other pensions, and unemployment compensation. The distinction between earned and unearned income is significant because different exclusions apply to each type of income.

However, not everything an individual receives is considered to be income. Generally, if the item received cannot be used as, or to obtain, food, clothing, or shelter, it will not be considered as income. For example, if someone pays an individual's medical bills, or offers free medical care, or if the individual receives money from a social services agency that is a repayment of an amount he/she previously spent, that value is not considered income to the individual. In addition, some items that are considered to be income are excluded when determining the amount of an individual's benefit.

¹ See table IV.A2 for historical and estimated future Federal benefit rates.

Income Exclusions¹

The principal *earned* income exclusions are:

- The first \$65 per month plus one-half of the remainder,
- Impairment-related work expenses of the disabled and work expenses of the blind,
- Income set aside or being used to pursue a plan for achieving self-support by a disabled or blind individual, and
- Infrequent or irregularly received income (\$10 or less a month).

The principal *unearned* income exclusions are:

- The first \$20 per month,²
- Income set aside or being used to pursue a plan for achieving self-support by a disabled or blind individual,
- State or locally funded assistance based on need,
- Rent subsidies under HUD programs and the value of food stamps, and
- Infrequent or irregularly received income (\$20 or less a month).

2. Resources

The amount of an individual's resources is used to determine whether he/she is eligible for SSI in any given month. SSI law states that eligibility is restricted to individuals who have countable resources, determined monthly, that do not exceed \$2,000 (\$3,000 for a couple). The law does not define what resources are, but does stipulate what items are not considered resources.

Regulations stipulate that a resource is cash or other liquid asset or any real or personal property that individuals (or their spouses) own and could convert to cash to be used for their support and maintenance. This definition is consistent with the general philosophy of the SSI program that only items that can be used for an individual's food, clothing or shelter should be used in determining his/her eligibility and benefit amount. Not all resources an individual owns are counted. The value of an item may be totally excluded or counted only to the extent that its value exceeds specified limits.

If an individual disposes of resources at less than fair market value within the 36-month period prior to his/her application for SSI or at any time thereafter, he/she may be penalized. The penalty is a loss of benefits for a number of months (up to a 36-month maximum) obtained by dividing the uncompensated value of disposed-of-resources by the Federal benefit rate plus the maximum State supplementary payment, if any, applicable to the individual's living arrangement. The penalty does not apply if, among other things, the individual can show that the resources were disposed of exclusively for a purpose other than establishing SSI eligibility.

¹ A complete list of the SSI income exclusions can be found in section V.B.

² Any portion of this \$20 amount not used to exclude unearned income may be used to exclude earned income.

Resource Exclusions¹

The principal resource exclusions are:

- The home and land appertaining to it, regardless of value;
- Life insurance policies whose total face value does not exceed \$1,500;
- Burial funds not in excess of \$1,500 each for an individual and spouse (plus accrued interest);
- Household goods and personal effects in which one's equity does not exceed \$2,000;
- An automobile depending upon its use, otherwise, the current market value not in excess of \$4,500;
- Property essential to self-support; and
- Resources set aside to fulfill a plan to achieve self-support.

3. Filing for Other Benefits

As the “program of last resort,” SSI benefits are provided to eligible individuals only to the extent that their needs are not met by other sources. That is, after evaluating all other income and resources, SSI pays what is necessary to bring an individual to the statutorily prescribed income “floor.” In keeping with this principle, SSI law requires that SSI applicants file for other payments for which they may be entitled, such as annuities, pensions, retirement or disability benefits, worker's compensation, and unemployment insurance benefits.

SSA must provide an individual with written notice of potential eligibility for other benefits and of the requirement to take all appropriate steps to pursue these benefits. The individual has 30 days from receipt of the notice to file for the benefits involved.

4. Eligibility Issues for Residents of Public Institutions or Medical Facilities

State and local governments—rather than the Federal Government—traditionally have taken the financial responsibility for residents of their public institutions. The SSI program continues this long-standing public assistance policy. People who are residents of public institutions for a full calendar month are generally ineligible for SSI unless one of the following exceptions applies:

- The public institution is a medical treatment facility and Medicaid pays more than 50 percent of the cost of care, or in the case of a child under age 18, Medicaid and/or private health insurance pays more than 50 percent of the cost of care;
- The public institution is a publicly operated community residence which serves no more than 16 residents;
- The public institution is an emergency shelter for the homeless (payments are limited to no more than 6 months in any 9-month period);

¹ A complete list of the SSI resource exclusions can be found in section V.B.

- The recipient was eligible under section 1619(a) or (b)¹ for the month preceding the first full month in the public institution and is permitted by the institution to retain any benefits (payable for up to 2 months); or
- A physician certifies that the recipient's stay in a medical facility is likely not to exceed 3 months and continued SSI eligibility is needed to maintain and provide for the expenses of the home to which the individual will return.

5. Personal Needs Allowance

When individuals enter medical treatment facilities in which more than half of the bill is paid by the Medicaid program, their monthly Federal payment standard is generally reduced to \$30, beginning with the first full calendar month they are in the facility. In the case of an individual under age 18, the \$30 payment standard is also applicable if more than half of the bill is paid by private insurance or a combination of Medicaid and private insurance. The theory behind this provision is that the individual's basic needs are being met by the medical facility. In these cases, the SSI program provides up to \$30 a month, which is intended to take care of small comfort items not provided by the institution.

6. Deeming

In certain situations the income and resources of others are counted in determining whether an individual's income and resources fall below the levels established by law. This process is called "deeming" and is applied in cases where an eligible individual lives with an ineligible spouse, an eligible child lives with an ineligible parent, or an eligible noncitizen has a sponsor.² In concept, the practice takes into account the responsibility of the spouse, parent, or sponsor to provide for the basic needs of the eligible individual.

a. Spouse-to-Spouse Deeming

When an eligible individual lives in the same household with a spouse who is not eligible for SSI, the ineligible spouse's income and resources are deemed to be available to the eligible individual. In determining the amount of income and resources available to the eligible individual, all applicable exclusions are used. In addition, a living allowance is provided for the ineligible spouse, as well as any ineligible children under age 18³ living in the household. The allowance reduces the amount of income to be deemed. Spouse-to-spouse deeming is intended to result in the same amount of income available to the couple as would be available if both members of the couple were aged, blind, or disabled and eligible for SSI.

Deeming does not apply when the eligible individual is not living in the same household as the ineligible spouse. However, if the ineligible spouse's absence is temporary or is due solely to an active duty assignment as a member of the U.S. Armed Forces, deeming would continue to apply.

b. Parent-to-Child Deeming

A child under age 18 is subject to deeming from an ineligible natural or adoptive parent (and that parent's spouse, if any) living in the same household. Certain amounts of the parent's income are excluded, living allowances are provided for the parent(s) and an allocation is set aside for each ineligible child under age 18³ who is living in the household. Deeming from an eligible parent to a child would continue if the parent is absent from the household but the absence is temporary or is due solely to active duty assignment

¹ See section III.E.6 of this report for a description of the special section 1619 provisions for disabled people who work.

² Deeming also applies to an individual who lives with an essential person (a concept carried over from the former State assistance plans). However, there are fewer than 100 of these cases remaining.

³ Under age 21, if a student.

as a member of the U.S. Armed Forces. If a child lives in a household in which all members are receiving public assistance benefits, that child is not considered to be receiving any support and deeming would not apply.

c. Sponsor-to-Alien Deeming

The income and resources of noncitizens are deemed to include those of their sponsors. The way the income and resources are deemed and the length of the deeming period depend on whether the sponsor signed a legally enforceable affidavit of support¹ or the previous version of the affidavit. Generally, individuals who entered the country before 1998 did so under the old version of the affidavit.²

Under the old version of the affidavit, deeming of the sponsor's income and resources lasts until the non-citizen has been in the United States for 3 years.³ Living allowances equal to the Federal benefit rate are provided for the sponsor, and allowances equal to one-half of the Federal benefit rate are provided for each of the sponsor's dependents. Allowances are also provided for the sponsor and his/her family members in determining deemed resources. These allowances reduce the amount of the sponsor's income and resources deemed to the noncitizen.

For noncitizens admitted into the United States under a legally enforceable affidavit of support, deeming generally applies until the noncitizen becomes a U.S. citizen. Deeming ends before citizenship if the non-citizen has earned, or can be credited with, 40 qualifying quarters of earnings. Children and spouses of workers may be credited with quarters earned by the worker. A quarter otherwise earned after 1996 does not count as one of the required 40 if the noncitizen or worker received Federal means-tested public benefits during the relevant period.

Also for this group of noncitizens, deeming does not apply for specified periods if the noncitizens or their children or parents have been battered or subjected to extreme cruelty while in the United States or if sponsors leave the noncitizens indigent by not providing them with sufficient support.

E. INCENTIVES FOR WORK AND OPPORTUNITIES FOR REHABILITATION

SSI benefits provide a basic level of assistance for individuals who are blind or disabled with limited earnings ability due to their impairments. Nonetheless, for recipients who want to work, the SSI program is designed to encourage and support their work attempts in order to help them achieve greater degrees of independence. The SSI program includes a number of work incentive provisions that enable recipients who are blind or disabled to work and retain benefits or to increase their levels of work activity without the loss of SSI disability status or Medicaid. These incentives provide higher amounts of income or resource exclusions as recognition of the expenses associated with working or as inducements to seek rehabilitation services and support for work efforts.

The SSI program also includes provisions to help disabled beneficiaries obtain vocational rehabilitation and employment support services. These provisions were recently revised by legislation establishing the Ticket to Work program, which is described in section III.E.7.

¹ Legally enforceable affidavits of support are required by Public Law 104-208.

² The Immigration and Naturalization Service (INS) began using the new, legally enforceable affidavits on December 19, 1997. However, if a potential immigrant had a visa issued before that date, the sponsor would sign an old version of the affidavit even if the affidavit was signed after December 19, 1997.

³ For a temporary period—January 1994 through September 1996—the deeming period was 5 years.

1. Earned Income Exclusion

The first \$65 (\$85 if the individual has no income other than earnings) of any monthly earned income plus one-half of remaining earnings are excluded for SSI benefit computation purposes. This general earned income exclusion is intended to help offset expenses incurred when working. It assures that SSI recipients who are working will be rewarded for their efforts by having greater total income than those who do not work.

2. Impairment-Related Work Expense Exclusion

The cost of certain impairment-related services and items that a disabled (but not blind) individual needs in order to work are excluded from earned income in determining SSI eligibility and benefit amounts.

In calculating these expenses, amounts equal to the costs of certain attendant care services, medical devices, equipment, prostheses, vehicle modifications, residential modifications to accommodate wheelchairs and similar items and services are deductible from earnings. The costs of routine drugs and routine medical services are not deductible unless these drugs and services are necessary to control the disabling condition.

3. Work Expenses of the Blind Exclusion

Any expenses relating to work that a blind individual has are excluded from earned income in determining SSI eligibility and benefit amounts. Unlike an impairment-related work expense (described above), a deductible expense need not be directly related to the worker's blindness; it need only be an ordinary and necessary work expense of the worker.

Some frequently excluded work expenses include transportation to and from work, meals consumed during work hours, job equipment, licenses, income or FICA taxes, and costs of job training.

4. Student Earned Income Exclusion

The student earned income exclusion is an additional exclusion for an individual who is under age 22, regularly attending school and neither married nor the head of a household. It is intended to help defray the cost of educational training. Under current regulations, up to \$1,320 of earned income per month but no more than \$5,340 per year may be excluded.¹

5. Plan for Achieving Self-Support

A plan for achieving self-support (PASS) allows a disabled or blind individual to set aside income and resources to get a specific type of job or to start a business. This may involve setting aside funds for education or vocational training. Funds can even be set aside to purchase work-related equipment or pay for transportation related to the work goal. The income and resources that are set aside are excluded under the SSI income and resources tests.

The individual must have a feasible work goal, a specific savings or spending plan, and must provide for a clearly identifiable accounting for the funds which are set aside. The PASS is time limited and must be approved by SSA. The individual must then follow the plan and negotiate revisions as needed. SSA moni-

¹ Increased from \$1,290 and \$5,200, respectively, effective January 1, 2002 (65 FR 82905). Under current regulations this exclusion will be increased in subsequent years based on changes in the cost of living.

tors the plans once approved by reviewing them periodically to ensure the individual's progress towards attaining the work goal.

6. Special Provisions for Disabled People Who Work

This work incentive generally is referred to by its section number in the Social Security Act, section 1619. Under section 1619(a), disabled individuals who would cease to be eligible because of earnings over the substantial gainful activity level can receive special cash benefits as long as they:

- Continue to have the disabling condition,
- Have income under the amount which would cause ineligibility for any payment under SSI income counting rules, and
- Meet all other nondisability requirements for SSI payment.

In many States, being a recipient of the special benefit permits the individual to be eligible for Medicaid benefits.

Under section 1619(b), "SSI recipient" status for Medicaid eligibility purposes also is provided to individuals:

- Whose earnings preclude any SSI payment but are not sufficient to provide a reasonable equivalent of the SSI, social services, and Medicaid benefits that the individuals would have in the absence of earnings; and
- Whose ability to continue working would be seriously inhibited by the loss of social services and Medicaid benefits.

To qualify for extended Medicaid coverage under section 1619(b) an individual must:

- Have a disabling condition,
- Need Medicaid in order to work,
- Not be able to afford equivalent medical coverage and publicly funded personal or attendant care which would be lost without assistance,
- Meet all nondisability requirements for SSI payment other than earnings, and
- Have received a regular SSI cash payment in a previous month within the current period of eligibility. (In some States, the individual must have qualified for Medicaid the month preceding the first month of 1619 eligibility.)

In determining whether individuals' earnings are not sufficient to provide them with the equivalent benefits they would be eligible for if they stopped working, their earnings are compared to a threshold amount for their State of residence. Section 1619(b) status continues if the earnings are below the threshold. If earnings exceed the State threshold, an individualized assessment of the need for Medicaid is made and 1619(b) status may continue.

7. Vocational Rehabilitation/Ticket to Work Program

Since the beginning of the SSI program, SSA has made provision for blind or disabled individuals who are receiving SSI benefits to be referred to State Vocational Rehabilitation (VR) agencies. If the State VR agency does not accept the referral, SSA can refer recipients to an alternate provider to receive vocational rehabilitation services. SSA reimburses the VR agency or alternate provider for services provided in situations where the services result in the individual's working at the substantial gainful activity level for a continuous period of 9 months, and in certain other limited situations.

The Ticket to Work and Work Incentives Improvement Act of 1999 ("the Ticket legislation") established a Ticket to Work and Self-Sufficiency program (Ticket to Work program) under which a disabled beneficiary may obtain vocational rehabilitation, employment and other support services from a qualified private or public provider. Providers of such services in this new setting are referred to as "employment networks" (ENs). In addition, the Ticket legislation provided for a new procedure for compensating the ENs under an outcome or outcome-milestone payment system. By expanding the pool of providers and giving the providers incentives for achieving success, this program seeks to expand a disabled beneficiary's access to these services in order to assist the beneficiary in finding, entering, and retaining employment and reducing his/her dependence on cash benefits. Regulations issued by the Commissioner became effective January 2002.

The Ticket to Work program will be in operation nationwide by January 2004. Initially, 13 States participated, with tickets distributed in the first half of 2002. Twenty more States and the District of Columbia are scheduled for the second phase in late 2002. The remaining States and territories are scheduled in the final phase for 2003. Once the Ticket to Work program is implemented in a State, the traditional VR referral process described earlier will be eliminated in that State, and SSA will provide eligible individuals who receive SSI benefits due to blindness or disability in such State with a Ticket to Work document ("ticket"). These individuals may use the ticket to obtain the vocational rehabilitation services, employment services and other support services needed to return to work, or go to work for the first time. The Ticket to Work program provides that as long as the beneficiary is "using a ticket" as defined by the Commissioner, SSA will not initiate a continuing disability review. Individuals not eligible for a ticket may still request services from a State VR agency, which must decide whether they are eligible for services under the Rehabilitation Act of 1973.

Until the Ticket to Work program is fully implemented, the State VR agencies and alternate providers under the traditional system can continue to receive compensation under the cost reimbursement system described above. However, once the Ticket to Work program is fully implemented only the State VR agencies will have the option on a case-by-case basis of electing to remain under the traditional VR compensation system. At that time, ENs will be the only other providers of VR services for disabled beneficiaries and will be compensated through the new outcome-based system.

Individuals receiving SSI benefits who improve medically and, therefore, are no longer considered disabled or blind can continue to receive SSI benefits if they are actively participating in the Ticket to Work program, or another approved VR program, and SSA determines that continuation or completion of the program will increase the likelihood that they will be permanently removed from the SSI rolls. SSI benefits and Medicaid generally continue until the rehabilitation services are completed or until the individual ceases to participate in the program.

8. Expedited Reinstatement

A disabled or blind individual whose eligibility for SSI payments was ended because of earnings can request expedited reinstatement of his/her SSI benefits without filing a new application. To qualify for

expedited reinstatement, the individual must make the request within 60 months after his/her eligibility ended and must have a disabling medical condition that (1) is the same as (or related to) the disabling medical condition that led to the previous period of eligibility and (2) prevents him/her from performing substantial gainful activity. In determining whether the individual is disabled or blind, the medical improvement review standard is applied. Normal nonmedical requirements for SSI eligibility still apply.

An individual requesting expedited reinstatement may receive up to 6 months of provisional benefits while his/her request is pending. These benefits generally are not considered an overpayment if the request is denied. Provisional benefits may include Medicaid but do not include any State supplementary payments. Provisional benefits also may be received by the individual's spouse at a couple's rate if the spouse was previously eligible for SSI as a spouse.

F. ADMINISTRATION OF THE SSI PROGRAM

The framers of the SSI program chose SSA to administer the SSI program because the basic system for paying monthly benefits to a large number of individuals was already in place in the form of the Social Security program, and SSA had a long-standing reputation for dealing with the public in a fair and humane manner.

1. Application Process

Individuals can make appointments to apply for SSI benefits at any one of the approximately 1,300 SSA field offices around the country or through SSA teleservice centers. The claims process includes the application interview, the obtaining of necessary evidence and documentation, and the adjudication of the claim. Although the eligibility requirements of the Social Security program and the SSI program are different, the application process is very similar. Many times, individuals file for benefits under both programs at the same time.

SSA corroborates information provided by applicants for SSI through independent or collateral sources. Generally, the basic responsibility for obtaining evidence lies with the claimant, although SSA often gives advice on ways to obtain the needed information. Because of the special circumstances of the SSI population (for example, financial need, old age, or illness), SSA makes special efforts to assist claimants in obtaining the necessary proofs.

Applicants and recipients are required to report events and changes of circumstances that may affect their SSI eligibility and benefit amounts. Such reports are required, for example, when an individual has a change in the amount of his/her income or resources, changes living arrangements, or leaves the United States. Failure or delay in submitting a required report can result in a penalty being assessed against the individual's SSI benefit. The penalty is \$25 for the first such failure or delay, \$50 for the second such failure or delay, and \$100 for each subsequent failure or delay.

With regard to disability and blindness claims, SSA makes determinations of all of the nonmedical eligibility factors while each State's Disability Determination Services (DDS) makes determinations of the medical eligibility factors.

2. Determinations of Eligibility

SSI applications have no retroactivity and become effective in the month after the month of filing or the month after all eligibility requirements are met, whichever is later. Eligibility for benefits is determined on a current monthly basis. The amount of the monthly benefit generally is determined using income in the second month preceding the month for and in which the benefit is paid (a method called retrospective

monthly accounting). However, at the start of a period of eligibility or re-eligibility, the benefits for the first and second months are both determined using the income received in the first month.

SSI recipients are required to have their nonmedical eligibility factors redetermined periodically, generally every 1 to 6 years depending on their specific situation.

In addition to these nonmedical reviews, medical reviews are conducted on disabled or blind recipients in order to determine if they continue to be disabled or blind. For administrative efficiency the medical reviews are done most often on those disabled or blind recipients whose medical conditions are considered likely to improve. Medical reviews are required for disabled or blind recipients, for example, under the following circumstances:

- When earnings of recipients exceed the substantial gainful activity level;¹
- At least once every 3 years for recipients under age 18 whose medical conditions are considered likely to improve;
- Within 12 months after birth for recipients whose low birth weight is a contributing factor material to the determination of their disability unless the Commissioner determines that the impairment is not expected to improve within 12 months of the child's birth; and
- Within 1 year after attainment of age 18 and using the adult eligibility criteria, for recipients whose eligibility for SSI benefits was established under the disabled child eligibility criteria.

3. Payment of Benefits

SSI benefits generally are paid on the first day of each month. If the first of the month falls on a weekend or legal public holiday, benefit payments are delivered on the first day preceding such Saturday, Sunday, or holiday. While SSA strongly encourages all SSI beneficiaries to receive their monthly benefits by direct deposit, benefit payments are also made by check if individuals do not wish to have their benefits sent directly to a bank. Monthly benefit payments include both the Federal SSI and State amounts if the recipient lives in a State in which SSA administers the State supplementary payment. (See section III.G.) Eligible couples generally receive their monthly benefits in one payment.

4. Representative Payees

When SSI recipients are incapable of managing their benefits, SSA appoints representative payees for them, and their SSI benefits are sent to the representative payees. In many cases the representative payee is a spouse, a parent, or other close relative who will act in the recipient's best interest. In some cases, an SSA-approved organization may be appointed and some organizations have been authorized by SSA to collect a fee from the benefit for acting as payee. The fee cannot exceed the lesser of 10 percent of the benefit amount or a specified amount (\$30 a month in 2002 (\$57 a month for disabled recipients who also have a drug addiction or alcoholism condition)).

Representative payees may only use an SSI recipient's benefit for the use and benefit of the recipient and must account for all benefits received. Representative payees also are required to report any changes that may affect SSI recipients' eligibility and payment amount and may be held liable for certain overpayments that occur. In cases in which a child is due a retroactive payment that exceeds six times the Federal benefit rate, the representative payee is required to establish a separate (dedicated) account at a financial institu-

¹ Medical review cannot be initiated while the SSI recipient is "using a ticket" under the Ticket to Work program.

tion to maintain the retroactive payment. Expenditures from the account must be used primarily for certain expenses related to the child's impairment.

5. Appeal Rights

Recipients must be informed in writing in advance of adverse actions SSA plans to take and must be given the opportunity to request that their benefits continue pending a decision at the first level of appeal.

6. Attorney Fees

At any time, an individual may appoint a representative in any dealings with the Social Security Administration. If such a representative is an attorney, he/she must be in good standing, have the right to practice law before a court, not be disqualified or suspended from acting as a representative in dealings with Social Security and not be prohibited by any law from acting as a representative. If the individual is not an attorney, he/she must meet qualifications specified by the Commissioner (e.g., be of good character and able to provide valuable service to claimants).

A representative may charge and receive a fee for his/her services, but the Social Security Administration generally decides how much the fee shall be. While the Social Security Act does not establish a maximum fee, most attorneys use an options process that limits their maximum fee to the lesser of 25 percent of the retroactive payment or \$5,300¹. A representative cannot charge or receive more than the fee amount authorized. The SSI program differs from the Social Security program in that amounts cannot be withheld from an individual's SSI benefits to pay for attorney fees. SSI claimants are responsible for paying such fees directly to their attorneys.

7. Advance Payments

The SSI program has provisions which help to respond to the immediate needs of new claimants. These procedures are in addition to State and local programs designed to help those in need pending decisions on their SSI status.

a. Emergency Advance Payments

A new claimant who faces a financial emergency, and for whom there is a strong likelihood to be found eligible, may receive up to 1 month's SSI benefits, the Federal payment amount plus any applicable State supplement. The amount paid is recovered from later SSI payments (in full from the first payment or in increments over no more than a 6-month period, depending upon the circumstances). However, if the claim is subsequently not allowed because of not finding disability or blindness, repayment would be waived. If the claim is disallowed for other reasons, the amount paid would be an overpayment and processed as such.

b. Presumptive Disability or Blindness

Up to 6 months' payments may be made to an individual applying for benefits based on disability or blindness when the available evidence reflects a high degree of probability that his/her impairment will meet the definition of disability or blindness and he/she is otherwise eligible. These payments are not considered overpayments if the individual is later determined not to be disabled or blind.

¹ Fee agreements prior to February 1, 2002, were limited to the lesser of 25 percent of the retroactive payment or \$4,000.

G. STATE¹ SUPPLEMENTATION

In designing the SSI program Congress recognized that States, in many instances, would want to provide a higher level of income maintenance than was available under the Federal program. At the same time States were given the option to either provide no supplementation to the Federal assistance payments or to supplement those payments based on their views of the needs of their citizens. They were mandated to assure that their citizens would not receive lower benefits under the Federal program than they had under the former State program. The following paragraphs describe the various forms of State supplementation that currently exist. Table III.H1 summarizes State-specific participation in these programs as well as other programs requiring State and Federal coordination as discussed in section H.

1. Optional State Supplementary Payment Programs

For individuals who first became eligible for SSI in 1974 or later, each State could supplement Federal payments to whatever extent it found appropriate with respect to the needs of its citizens and resources of the State. Currently, 45 States have optional State supplementary payment programs.

Some States provide supplementary payments to all individuals eligible for SSI benefits, while others may limit them to certain SSI recipients such as the blind or residents of domiciliary-care facilities, or may extend them to persons ineligible for SSI because of excess income. States' flexibility in setting supplementary payments, however, has been significantly restricted by mandatory passalong provisions (see section 4 below).

2. Mandatory State Supplementary Payment Programs

States are required² to maintain the December 1973 income levels of individuals who were transferred from the former State adult assistance programs to the SSI program in 1974, except for Texas which has a constitutional bar against mandatory State supplementation. Because of the increases in Federal benefits over the years, there are few individuals who continue to receive mandatory State supplementary payments.

3. Administration of State Supplementary Payments

A State may administer its supplementary program or enter into an agreement under which SSA will make eligibility determinations and payments on behalf of the State. Under State administration, the State pays its own program benefits and absorbs the full administrative costs. Under Federal administration States are required to pay SSA a \$8.50 fee for each supplementary payment issued in fiscal year 2002. Fees are projected to rise in succeeding fiscal years, based on changes in the cost of living.

States that administer their own supplementary payment programs establish their own eligibility criteria. States with Federally-administered programs must adhere to SSI eligibility criteria in all aspects except that they may establish additional income exclusions.

4. Mandatory Passalong

It was originally Congress' view that increases in the Federal SSI benefit rate eventually would replace State supplementary payments. However, public reaction to States reducing their supplementary payment

¹ References to State include, in addition to the 50 States, the District of Columbia.

² Requirement does not affect West Virginia, since, in 1973, SSI Federal benefit rates exceeded the applicable income standards under the State's adult assistance programs.

amounts when SSI payments were increased led Congress to mandate that States pass along SSI benefit increases resulting from cost-of-living adjustments.

To meet the passalong requirement, a State may either maintain each State payment level from year-to-year—the “payment levels” method—or it may spend the same amount of money, in the aggregate, that it spent for supplementary benefits in the 12-month period preceding the increase in the SSI benefit rate—the “total expenditures” method. Currently, 40 States use the levels method and 10 use the expenditure method. West Virginia has no optional supplementary plan and was not required to establish a mandatory plan because Federal SSI income standards exceeded all payments made under the State’s adult assistance programs in 1973.

H. COORDINATION WITH OTHER PROGRAMS

SSI benefits are not the only form of assistance available to needy aged, blind, or disabled individuals. Medicaid, food stamps, and temporary State assistance also are important in keeping individuals from sliding further into poverty. SSA plays a limited but important role in helping States with regard to administration of Medicaid and food stamp programs, and provisions in the SSI statute assure that payments made by States or under the Social Security program are not duplicated by SSI benefits.

1. Windfall Offset

If a person receives SSI payments, and is later determined to be entitled to retroactive Social Security benefits, such retroactive benefits are reduced by the amount of SSI payments the person would not have been eligible for had the Social Security benefits been paid in the month they were due. This process is called the “windfall offset” and was enacted to prevent windfall payments to individuals when Social Security and SSI payments were paid for the same period.

2. Medicaid Determinations

Generally, SSI recipients are categorically eligible for Medicaid. A State may either use SSI eligibility criteria for determining Medicaid eligibility, or use its own criteria as long as the criteria are no more restrictive than the State’s January 1972 medical assistance standards. Forty States use SSI criteria and 11 States use eligibility criteria more restrictive than those of the SSI program.

States also may enter into agreements with SSA for SSA to make Medicaid eligibility determinations on their behalf as long as the eligibility requirements of the State’s Medicaid plans are the same as those for the SSI program. Under these agreements, SSA determines only when an individual is eligible for Medicaid; SSA does not determine Medicaid ineligibility. SSA has Medicaid determination agreements with 33 States.

Continued Medicaid eligibility is provided in SSI law for certain Social Security beneficiaries who lose SSI eligibility due to entitlement to Social Security benefits, or due to an increase in Social Security benefits resulting from:

- Cost-of-living adjustments,
- Actuarial increases in widow(er)s benefits,
- Changes in the definition of disability for widow(er)s benefits, or
- Increases in disabled adult child benefits.

3. Food Stamp Applications

SSI recipients in all States, except California,¹ may be eligible for food stamps. Under agreements entered into by the Secretary of Agriculture and SSA, Social Security offices notify Social Security and SSI applicants and recipients of their potential benefits under the Food Stamp program and make food stamp applications available to them.

The law also provides for Social Security offices to take food stamp applications from potentially eligible or eligible SSI households which are not already receiving food stamps and which do not have a food stamp application pending. Food stamp applications from SSI households may be taken in connection with initial SSI claims or at the time of a redetermination. Food stamp applicants have the option of applying at Social Security offices or applying at State food stamp offices if expedited service is required. Social Security offices forward the food stamp applications and any supporting documents to the local food stamp offices within 1 day of taking the application. Eligibility is determined by the food stamp office.

4. Interim Assistance Reimbursement

SSA may enter into agreements under which States or local governments are reimbursed for basic needs assistance provided during the period that either an eligible individual's SSI application for benefits was pending, or the individual's SSI benefits were suspended and subsequently reinstated (the interim period).

Under these interim assistance reimbursement agreements, if the individual has given SSA written authorization, SSA sends an individual's first SSI benefit check relating to the interim period to the State or local jurisdiction that had provided the interim assistance. The State then deducts the amount it is owed and is required to forward the remainder to the claimant within 10 days.² Thirty-eight States have interim assistance agreements with SSA.

¹ California "cashes out" food stamps and SSI recipients there receive a cash payment in their State supplementary payment in lieu of food stamps.

² Beginning in August, 1996, in certain disabled children's cases, SSA first reimburses the State, then pays the remainder into special dedicated financial institution accounts for the children. In all other cases where the retroactive benefits exceed a certain amount, SSA reimburses the State, then pays the remainder in installments to the recipient or his/her representative payee.

Table III.H1.—SSI State Supplementation¹ and Coordination with Other Programs

United States and District of Columbia	Optional State program— Administered by:			Method of mandatory passalong of benefit increases from cost-of-living adjustments		Medicaid eligibility determination—			Interim assistance reimbursement agreement with SSA
	State	Federal (SSA)	Federal & State	“Payment levels”	“Total expenditures”	Based on:		Agreement with SSA to determine eligibility	
						Federal criteria	State criteria		
Alabama ²	*			*		*		*	
Alaska	*			*		*		*	*
Arizona	*			*		*		*	*
Arkansas ³				*		*		*	
California		*		*		*		*	*
Colorado	*				*	*		*	*
Connecticut ²	*			*			*		*
Delaware		*		*		*		*	
District of Columbia		*			*	*		*	*
Florida ²	*			*		*		*	*
Georgia ³				*		*		*	*
Hawaii		*		*			*		*
Idaho	*			*		*			
Illinois	*			*			*		*
Indiana	*			*			*		*
Iowa			*		*	*		*	*
Kansas ³				*		*			*
Kentucky ²	*			*		*		*	*
Louisiana ⁴	*			*		*		*	
Maine	*				*	*		*	*
Maryland ⁴	*			*		*		*	*
Massachusetts		*		*		*		*	*
Michigan			*	*		*		*	* 5
Minnesota ²	*			*			*		*
Mississippi ³	*			*		*		*	
Missouri	*			*			*		*
Montana		*		*		*		*	*
Nebraska	*				*	*			*
Nevada ²		*		*		*			*
New Hampshire	*						*		* 5
New Jersey		*		*		*		*	*
New Mexico	*			*		*		*	* 5
New York			*	*		*		*	*
North Carolina	*			*		*		*	*
North Dakota ²	*			*			*		
Ohio ⁴	*			*			*		*
Oklahoma	*				*		*		
Oregon	*				*	*			*
Pennsylvania		*		*		*		*	*
Rhode Island ²		*		*		*		*	* 5
South Carolina ²	*			*		*		*	
South Dakota ⁴	*			*		*		*	
Tennessee ³				*		*		*	*
Texas ⁶	*			*		*		*	*
Utah ²		*		*		*			*
Vermont ²			*	*		*		*	*
Virginia	*				*		*		*
Washington			*		*	*		*	*
West Virginia ⁶					*	*		*	*
Wisconsin	*				*	*		*	*
Wyoming	*			*		*		*	
Total number of States	29	11	5	40	10	40	11	33	38

¹ See body of text for description of the various forms of State supplementation.
² State no longer has any recipients receiving mandatory minimum State supplementation.
³ Mandatory minimum State supplementation program is Federally-administered. No optional program.
⁴ Mandatory minimum State supplementation program is Federally-administered.
⁵ State provides assistance only in initial application cases. No assistance provided during periods that SSI benefits are suspended or terminated.
⁶ State does not have a mandatory minimum State supplementation program.

IV. ESTIMATES OF PROGRAM PARTICIPATION AND FEDERAL EXPENDITURES UNDER THE SUPPLEMENTAL SECURITY INCOME PROGRAM, 2002-26

As described in section III, eligibility for payments under the SSI program depends on a collection of provisions related to the socioeconomic status of the individual, as well as the evaluation of disability or blindness for all persons under age 65, and for certain individuals at ages 65 or older. Consequently, future SSI program participation will depend on a variety of difficult-to-predict factors including the performance of national and local economies, distribution of personal income within that macroeconomic framework, the prevalence of disability in the general population, and the determination of disability as defined by the Social Security Act.

Estimates of expenditures under the SSI program, prior to the issuance of the first SSI Annual Report in May 1997, were of a short-term nature prepared in conjunction with the President's Budget. These short-term projections relied exclusively on the evaluation of recent historical trends in the SSI program, and the extrapolation of such trends into the next few years. The provisions of Public Law 104-193 mandating this report required that such projections of future program participation be prepared for a period of at least 25 years. As was discussed in the 1997 Annual Report, due to the complex interaction between the economy and the SSI program, models for projecting SSI program participation over such an extended time period should incorporate more sophisticated concepts than the trend analysis traditionally used for budget purposes. In the 1998 Annual Report, the Office of the Chief Actuary announced the beginning of a multi-year program of research intended to develop the appropriate data and models to reflect the impact of the relevant cofactors on the future of the SSI program. We expect to incorporate partial improvements to our models on an annual basis, and the estimates presented in this and future reports will reflect such step-wise improvements.

For this sixth annual report, our estimates are based on the revised structural model introduced in the 1999 Annual Report. As described in that report, the revised model disaggregated the basic population by single year-of-age and gender in order to better understand and forecast the various transitions in and out of payment status. In addition, movements out of payment status were further examined by reason for such movements, although at this stage the analysis was limited to two broad groups: (1) terminations due to death and (2) suspension of payment due to all other reasons.¹ The additional detail in the revised model enabled us to better analyze the transition from disabled child status to status as a disabled adult at age 18, and provided us with an enhanced ability to analyze the age structure of the historical and forecasted disabled adult population. In the 3 years since the 1999 Annual Report, we have analyzed certain age subgroups in greater detail, with the result that our longer term assumptions with respect to the growth in the SSI population better reflect the growth patterns to be expected of the respective age groups. As a consequence, the current forecasts presented in this section suggest slightly faster growth among disabled adults. In addition, for this year's report we have begun to incorporate the results of recent research on mortality levels among the population receiving SSI.

The presentation of forecast results in the remainder of this section corresponds to our revised model structure. In particular, all tables present SSI population information by selected age groups, rather than groups based exclusively on SSI recipient categories. Where certain recipient categories have overlapping age distributions, recipient category totals are still shown.

¹ The two main reasons other than death for termination of SSI payments are failure to satisfy income and resource limitations of the SSI program and recovery from a qualifying disability.

A. DEMOGRAPHIC AND ECONOMIC ASSUMPTIONS

As in previous annual reports, the estimates presented in this section have been prepared in a manner which accounts for the basic demographic changes expected to occur over the next 25 years. In addition, the indexation of the Federal benefit rate depends on a projection of the Consumer Price Index (CPI) over that same 25-year period. For purposes of developing these estimates, we have relied on the demographic projections and CPI assumptions underlying the intermediate estimates prepared for the 2002 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Disability Insurance Trust Funds.¹ Detailed discussion of these demographic and economic parameters is presented in sections V.A and V.B of that report.² The key assumptions utilized directly for the projections presented in this report are summarized in the following two tables. Table IV.A1 presents population projections summarized by certain age subgroups that correspond to the age subgroups in the presentation of SSI participant projections discussed in the next section.

¹ House Document 107-196, published April 9, 2002.

² *Ibid*, Section V.A, *Demographic Assumptions and Methods* and Section V.B, *Economic Assumptions and Methods*.

Table IV.A1.—Historical and Estimated Population in the Social Security Area as Projected for the Intermediate Assumptions of the 2002 OASDI Trustees Report, as of July 1, 1974-2026
[In thousands]

Year	Age groups ¹						Total all ages
	0-17	18-34	35-49	50-64	65-74	75 or older	
Historical data:							
1974	70,714	60,135	36,339	32,809	13,865	8,871	222,734
1975	69,727	62,097	36,322	33,154	14,164	9,102	224,566
1976	68,736	63,985	36,488	33,425	14,480	9,343	226,457
1977	67,830	65,649	36,897	33,694	14,805	9,595	228,470
1978	67,001	67,227	37,479	33,931	15,127	9,860	230,625
1979	66,271	68,859	38,053	34,102	15,437	10,140	232,861
1980	65,746	70,454	38,557	34,245	15,721	10,428	235,150
1981	65,419	71,564	39,518	34,319	15,991	10,721	237,531
1982	65,213	72,167	41,020	34,275	16,278	11,044	239,997
1983	65,164	72,649	42,550	34,151	16,544	11,370	242,428
1984	65,272	72,990	44,010	34,057	16,793	11,680	244,803
1985	65,527	73,210	45,449	33,959	17,082	11,983	247,210
1986	65,849	73,318	47,030	33,756	17,438	12,277	249,668
1987	66,124	73,382	48,708	33,617	17,752	12,587	252,169
1988	66,358	73,482	50,398	33,595	17,998	12,896	254,726
1989	66,809	73,395	52,167	33,588	18,241	13,209	257,408
1990	67,634	72,868	53,979	33,664	18,443	13,593	260,181
1991	68,646	72,035	55,756	33,906	18,609	14,016	262,967
1992	69,662	71,130	57,427	34,354	18,791	14,420	265,785
1993	70,597	70,252	59,016	34,948	18,936	14,794	268,543
1994	71,415	69,402	60,641	35,538	19,024	15,138	271,157
1995	72,081	68,603	62,340	36,077	19,053	15,496	273,649
1996	72,644	67,925	63,753	36,956	18,981	15,882	276,141
1997	73,083	67,416	64,715	38,323	18,856	16,234	278,627
1998	73,394	67,045	65,519	39,806	18,708	16,533	281,005
1999	73,661	66,802	66,270	41,224	18,583	16,789	283,329
2000	73,963	66,745	66,874	42,679	18,515	17,001	285,776
2001	74,323	66,851	67,255	44,230	18,480	17,181	288,320
Estimated:							
2002	74,686	67,059	67,383	45,865	18,467	17,352	290,813
2003	74,994	67,348	67,348	47,547	18,513	17,517	293,267
2004	75,258	67,632	67,244	49,285	18,623	17,658	295,701
2005	75,498	67,860	67,117	51,073	18,792	17,779	298,119
2006	75,692	68,171	66,857	52,871	19,069	17,868	300,529
2007	75,798	68,759	66,313	54,602	19,556	17,907	302,935
2008	75,813	69,635	65,534	56,214	20,231	17,915	305,342
2009	75,804	70,617	64,669	57,823	20,900	17,939	307,752
2010	75,844	71,556	63,785	59,498	21,476	18,005	310,164
2011	75,965	72,392	62,937	60,959	22,239	18,086	312,578
2012	76,160	73,094	62,194	61,984	23,368	18,190	314,990
2013	76,412	73,663	61,593	62,830	24,552	18,345	317,395
2014	76,703	74,090	61,191	63,618	25,648	18,539	319,789
2015	77,004	74,399	61,043	64,214	26,740	18,768	322,169
2016	77,300	74,662	61,118	64,567	27,822	19,061	324,530
2017	77,597	74,899	61,341	64,694	28,859	19,481	326,869
2018	77,832	75,202	61,601	64,673	29,853	20,022	329,183
2019	78,011	75,576	61,806	64,593	30,916	20,566	331,467
2020	78,202	75,894	61,976	64,495	32,086	21,064	333,718
2021	78,400	76,163	62,216	64,278	33,156	21,718	335,931
2022	78,598	76,404	62,651	63,793	33,988	22,668	338,102
2023	78,789	76,593	63,312	63,087	34,760	23,685	340,225
2024	78,964	76,690	64,131	62,302	35,564	24,646	342,297
2025	79,119	76,694	65,042	61,504	36,344	25,612	344,315
2026	79,248	76,671	65,955	60,743	37,058	26,600	346,274

¹ Age as of last birthday.

Note: Totals do not necessarily equal the sums of rounded components. Historical population data subject to revision.

As described in section III.D.1, the monthly Federal benefit rate is adjusted annually in January to reflect changes in the level of consumer prices. The adjustment factor is based on the year-to-year increase in the CPI for the third quarter of the calendar year. This cost-of-living adjustment is identical to the adjustment of Social Security benefits under the OASDI program. In previous years, occasional ad hoc increases were also applied to the Federal benefit rates, either in place of or in addition to such automatic adjustments. The history of legislation affecting the Federal benefit rates is presented in table V.A1. Table IV.A2 presents a complete history of the cost-of-living adjustment factors and Federal benefit rates since the inception of the program, along with projections of such amounts consistent with the economic assumptions underlying the SSI expenditure estimates discussed in section IV.C.

Table IV.A2.—Social Security Cost-of-Living Adjustments and Federal Benefit Rates Estimated on the Basis of the Intermediate Assumptions of the 2002 OASDI Trustees Report, 1974-2026

Year	Benefit rate increase ¹	Federal benefit rate		
		Individual	Couple	Essential person ²
Historical data:				
Initial benefit paid January 1, 1974 ³	—	\$140.00	\$210.00	\$70.00
1974.....	⁴ 4.3%	146.00	219.00	73.00
1975.....	8.0	157.70	236.60	78.90
1976.....	6.4	167.80	251.80	84.00
1977.....	5.9	177.80	266.70	89.00
1978.....	6.5	189.40	284.10	94.80
1979.....	9.9	208.20	312.30	104.20
1980.....	14.3	238.00	357.00	119.20
1981.....	11.2	264.70	397.00	132.60
1982.....	7.4	284.30	426.40	142.50
1983.....	⁴ 7.0	304.30	456.40	152.50
1984.....	3.5	314.00	472.00	157.00
1985.....	3.5	325.00	488.00	163.00
1986.....	3.1	336.00	504.00	168.00
1987.....	1.3	340.00	510.00	170.00
1988.....	4.2	354.00	532.00	177.00
1989.....	4.0	368.00	553.00	184.00
1990.....	4.7	386.00	579.00	193.00
1991.....	5.4	407.00	610.00	204.00
1992.....	3.7	422.00	633.00	211.00
1993.....	3.0	434.00	652.00	217.00
1994.....	2.6	446.00	669.00	223.00
1995.....	2.8	458.00	687.00	229.00
1996.....	2.6	470.00	705.00	235.00
1997.....	2.9	484.00	726.00	242.00
1998.....	2.1	494.00	741.00	247.00
1999.....	1.3	500.00	751.00	250.00
2000.....	⁵ 2.5	⁶ 513.00	769.00	257.00
2001.....	3.5	⁶ 531.00	796.00	266.00
2002.....	2.6	545.00	817.00	273.00
Estimated:				
2003.....	1.3	552.00	828.00	276.00
2004.....	2.6	566.00	849.00	283.00
2005.....	2.8	582.00	873.00	291.00
2006.....	3.0	599.00	899.00	300.00
2007.....	3.0	617.00	926.00	309.00
2008.....	3.0	636.00	954.00	318.00
2009.....	3.0	655.00	983.00	328.00
2010.....	3.0	675.00	1,012.00	338.00
2011.....	3.0	695.00	1,043.00	348.00
2012.....	3.0	716.00	1,074.00	358.00
2013.....	3.0	737.00	1,106.00	369.00
2014.....	3.0	759.00	1,139.00	380.00
2015.....	3.0	782.00	1,174.00	392.00
2016.....	3.0	806.00	1,209.00	404.00
2017.....	3.0	830.00	1,245.00	416.00
2018.....	3.0	855.00	1,282.00	428.00
2019.....	3.0	881.00	1,321.00	441.00
2020.....	3.0	907.00	1,360.00	454.00
2021.....	3.0	934.00	1,401.00	468.00
2022.....	3.0	962.00	1,443.00	482.00
2023.....	3.0	991.00	1,487.00	496.00
2024.....	3.0	1,021.00	1,531.00	511.00
2025.....	3.0	1,051.00	1,577.00	527.00
2026.....	3.0	1,083.00	1,625.00	543.00

¹ Increases prior to 1984 were effective for the payment due on July 1 of the year. Increases shown for 1984 and later are effective for the payment due on January 1 of the year.

² A concept carried over from the former State assistance plans. There are currently fewer than 100 of those cases remaining.

³ Benefits paid in January, 1974 were based on the Federal benefit rates established by Public Law 92-603, enacted October 30, 1972: \$130.00 for individuals; \$195.00 for couples; and \$65.00 for essential persons. Retroactive payments were subsequently made to adjust initial payments to the higher Federal benefit rates established by Public Law 93-233, enacted December 31, 1973.

⁴ Ad hoc increases as specified in the law.

⁵ Originally determined as 2.4 percent, but pursuant to Public Law 106-554, enacted December 21, 2000, is effectively now 2.5 percent.

⁶ Benefits originally paid in 2000 and through July 2001 were based on Federal benefit rates of \$512.00 and \$530.00, respectively. Pursuant to Public Law 106-554, monthly payments beginning in August 2001 were effectively based on the higher \$531 amount. Lump-sum compensation payments were made based on an adjusted benefit rate for months prior to August 2001.

Estimates presented in the sections that follow are based on the assumptions described in this section. Furthermore, for purposes of making these estimates, it is assumed that no changes will occur during the projection period in the present statutory provisions and regulations under which the SSI program operates.

B. NUMBERS OF PARTICIPANTS IN THE SSI PROGRAM

In this section, we present our projections of the various subpopulations which lead to the numbers of persons receiving Federal SSI payments. As described above, the forecasting models that produce these projections were restructured to handle population flows by single-year-of-age. Correspondingly, the tables in this section present these population totals by selected age groupings. This is in contrast with annual reports prior to 1999 which presented forecast results exclusively by recipient categories of *aged*, *blind or disabled adults*, and *blind or disabled children*. Since these recipient categories are in large part based on age, the additional age breakouts shown in this year's report can be viewed as a refinement of the information presented in the first two SSI Annual Reports. The following paragraphs discuss a few of the subtle points in the translation between the previous recipient categories and current age categories.

- The *aged* category includes those individuals whose eligibility for SSI benefits is established based on meeting the age-65-or-older requirement for assistance, and the income and resource limits applicable for adults. In December 2001, there were 1.264 million aged recipients of Federally-administered SSI payments.
- The *blind or disabled adults* category includes those individuals whose eligibility is established based on meeting the definition of blindness or disability for individuals age 18 or older, and the income and resource limits applicable for adults. After attainment of age 65, these individuals generally continue to be classified as blind or disabled adults (rather than aged). In December 2001, there were 4.532 million blind or disabled adult recipients of Federally-administered SSI payments, including 712 thousand disabled and 18 thousand blind recipients aged 65 or older.
- The *blind or disabled children* category includes those individuals whose initial eligibility is established based on meeting the definition of blindness or disability for individuals under age 18. At age 18 these individuals continue to be eligible for SSI if they meet the definition of blindness or disability for individuals age 18 or older. As a result, blind or disabled children are generally reclassified as blind or disabled adults at age 18. However, students aged 18 to 21 are still classified as blind or disabled children, but only for purposes of applying a special student earned income exclusion.¹ The numbers of students, however, represent a small percentage of the total number of disabled children. For example, in December 2001, there were 892 thousand blind or disabled child recipients of Federally-administered SSI payments, including 11 thousand students aged 18 to 21. Since these students are small in number, and for most purposes treated under the program as disabled adults, most agency management information is moving in the direction of equating disabled children with the age grouping 0 to 17. As in the past three annual reports, our tables showing historical and projected SSI data conform to this new standard.

Much of the historical age-specific information presented in the discussion that follows had to be reconstructed using samples of various sizes. Most age-specific splits prior to 1980 have not yet been developed, but may be constructed for future reports as we develop more complete retrospective data. Historical age breakouts may be revised in future reports as more complete data become available.

Table IV.B1 presents historical and projected numbers of persons applying for SSI benefits, by calendar year of application. Figure IV.B1 presents this same information in graphical form. Actual numbers of applications received in 2001 were about 3.3 percent higher than were received in 2000. The actual result

¹ Parent-to-child deeming ends in all cases when an individual turns 18.

for 2001 was almost 2.3 percent higher than estimated for 2001 in the 2001 Annual Report. The higher than anticipated growth in 2001 is not yet completely understood, but it was very likely related to the downturn in the economy experienced over that time. Our short-term projections of numbers of applications reflect a continuation of that higher than previously expected rate of growth, but returning to more modest levels of growth as the economy is assumed to recover. Longer term trends in applications are estimated to continue to grow from current levels roughly in line with overall population growth, as was assumed in last year's report.

Table IV.B1.—SSI Federally-Administered Applications,¹ Calendar Years 1974-2026
[In thousands]

Calendar year	Blind or disabled, by age group					Aged, by age group			Totals		
	0-17	18-34	35-49	50-64	65-74	75 or older	65-74	75 or older	Blind or disabled	Aged	All
Historical data:											
1974 . . .	2/	2/	2/	2/	2/	2/	2/	2/	2/	2/	2/
1975 ³ . . .	4/	4/	4/	4/	4/	4/	4/	4/	1,075	325	1,400
1976 . . .	4/	4/	4/	4/	4/	4/	4/	4/	984	254	1,239
1977 . . .	4/	4/	4/	4/	4/	4/	4/	4/	1,040	259	1,298
1978 . . .	4/	4/	4/	4/	4/	4/	4/	4/	1,046	258	1,304
1979 . . .	4/	4/	4/	4/	4/	4/	4/	4/	1,090	262	1,352
1980 . . .	122	310	272	438	8	1	187	89	1,151	276	1,427
1981 . . .	78	206	173	271	5	5/	88	42	733	130	864
1982 . . .	88	246	206	278	11	1	93	48	830	141	971
1983 . . .	102	258	225	311	5	1	122	68	902	190	1,092
1984 . . .	103	267	247	321	7	5/	178	108	944	286	1,230
1985 . . .	114	294	297	409	7	5/	151	73	1,122	223	1,345
1986 . . .	122	316	334	426	7	1	150	81	1,205	231	1,437
1987 . . .	108	287	299	331	7	1	134	66	1,033	200	1,233
1988 . . .	114	282	301	317	7	1	131	69	1,021	200	1,221
1989 . . .	116	297	323	329	7	5/	146	76	1,072	222	1,294
1990 . . .	149	335	380	356	6	5/	156	71	1,226	227	1,454
1991 . . .	237	391	453	391	7	5/	159	68	1,479	227	1,706
1992 . . .	339	453	522	407	8	5/	163	64	1,728	226	1,955
1993 . . .	473	506	570	416	7	5/	158	61	1,973	218	2,191
1994 . . .	517	492	571	402	6	5/	136	52	1,989	188	2,177
1995 . . .	473	435	524	363	6	5/	121	44	1,801	165	1,966
1996 . . .	431	393	500	345	9	1	108	44	1,678	153	1,831
1997 . . .	306	317	438	307	8	1	82	35	1,377	117	1,494
1998 . . .	318	317	453	331	9	1	96	39	1,428	136	1,563
1999 . . .	338	317	470	336	6	5/	107	39	1,468	145	1,614
2000 . . .	337	321	486	341	6	5/	102	39	1,493	140	1,633
2001 . . .	350	346	501	353	4	5/	98	35	1,555	133	1,688
Estimated:											
2002 . . .	387	388	541	396	5	5/	98	35	1,716	133	1,849
2003 . . .	390	396	544	413	5	5/	100	36	1,747	136	1,883
2004 . . .	386	391	536	424	5	5/	102	36	1,742	138	1,881
2005 . . .	379	383	524	431	5	5/	104	37	1,723	141	1,864
2006 . . .	372	375	509	439	5	5/	106	37	1,702	144	1,845
2007 . . .	365	369	492	448	6	5/	110	37	1,679	147	1,827
2008 . . .	358	362	473	457	7	5/	111	37	1,657	148	1,805
2009 . . .	354	360	459	466	7	5/	110	37	1,645	147	1,792
2010 . . .	354	365	452	477	7	5/	111	36	1,656	147	1,803
2011 . . .	355	369	447	487	8	5/	117	36	1,666	153	1,819
2012 . . .	357	372	442	494	9	5/	124	36	1,673	160	1,833
2013 . . .	358	375	438	501	8	5/	127	37	1,679	164	1,843
2014 . . .	359	376	435	506	9	5/	132	37	1,685	169	1,854
2015 . . .	360	377	434	509	9	5/	137	37	1,690	174	1,864
2016 . . .	362	379	434	510	9	5/	142	38	1,694	180	1,874
2017 . . .	363	380	436	510	9	5/	146	39	1,698	185	1,882
2018 . . .	364	382	437	509	10	5/	150	40	1,701	190	1,891
2019 . . .	365	384	438	507	10	5/	155	41	1,703	197	1,900
2020 . . .	366	386	439	505	10	5/	160	42	1,706	203	1,908
2021 . . .	366	387	441	502	10	5/	165	44	1,708	209	1,917
2022 . . .	367	389	445	497	11	5/	169	46	1,709	215	1,924
2023 . . .	368	390	451	490	11	5/	172	48	1,709	220	1,930
2024 . . .	369	390	457	483	11	5/	176	50	1,710	226	1,936
2025 . . .	369	389	464	477	11	5/	179	52	1,710	231	1,941
2026 . . .	369	389	470	471	11	5/	182	54	1,711	235	1,946

¹ Based on data reported in the Integrated Workload Management System (formerly known as the District Office Workload Report).

² Consistent data on applications for 1974 (the first year of operation of the program) are not available.

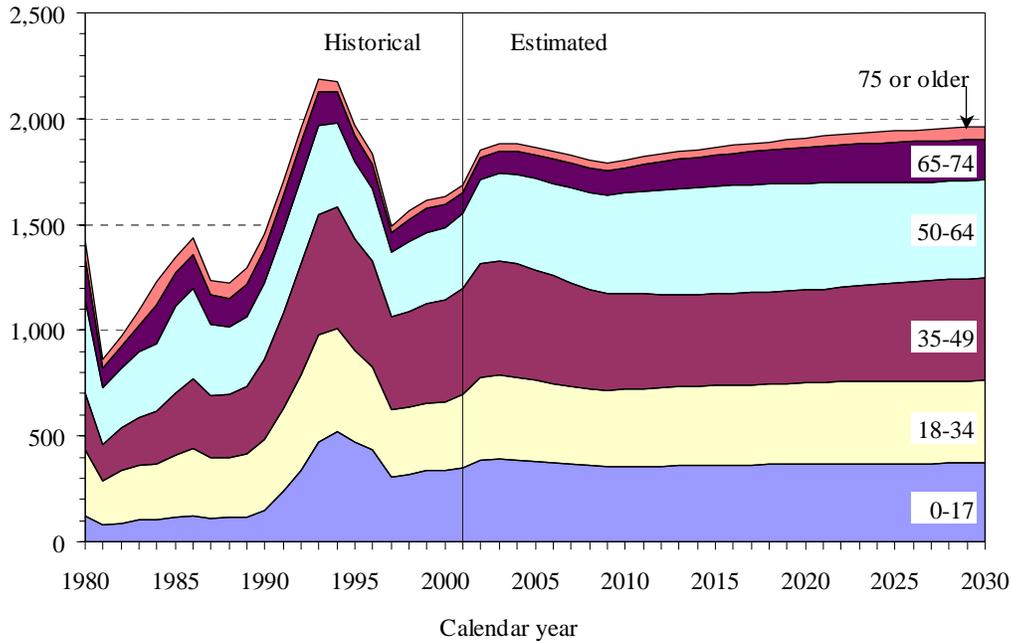
³ Totals estimated using a 1-percent sample.

⁴ Age-specific information for these years not yet available.

⁵ Fewer than 500.

Note: Totals do not necessarily equal the sums of rounded components. Historical split among age groups is estimated on a calendar year of age basis.

Figure IV.B1.—SSI Federally-Administered Applications by Age Group, Calendar Years 1980-2030
[In thousands]



The adjudication of these applications involves an evaluation of levels of income and resources available to the applicants, as well as other eligibility factors including marital and citizenship status and living arrangements. In addition, in over 90 percent of the cases, an evaluation of an alleged impairment must be done by the appropriate State Disability Determination Service. An unfavorable disability determination may then be appealed by the applicant through several administrative levels of appeal. If all administrative levels of appeal are exhausted, the applicant may in turn carry his/her appeal to the Federal courts. Data on recent historical experience for this disability decision process are presented in section V.C.

Table IV.B2 and figure IV.B2 present historical and projected numbers of persons who are ultimately awarded SSI eligibility as a result of this decision process. In that table and graph, we are essentially counting individuals as being awarded in the first month that they move into SSI payment status. For this reason, we refer to these individuals as “new entrants” rather than “awards.”¹ The numbers of new entrants into SSI payment status increased in 1998 and again slightly in 1999 following a period of decline ending in 1997. In 2000, the numbers of new entrants experienced a small decrease but resumed growing in 2001 with an increase of 3.2 percent over the 2000 level. As mentioned earlier in the discussion of applications, this increase is likely related to the poor performance of the economy in 2001. As with applications, our projections in the near term assume a somewhat higher rate of growth than experienced in the years just prior to 2001. Over the longer term the numbers of new entrants are estimated to increase gradually in line with projected growth in applications.

¹ In addition, these counts differ slightly from other similar totals identified as “awards” and published by the Office of Research, Evaluation, and Statistics (ORES) in the *Annual Statistical Supplement to the Social Security Bulletin*. The ORES totals are similar in concept to those used in this report, but differ slightly due to the timing of the action being tabulated. For example, ORES does not count a disability benefit as being awarded until the disability decision is made. In contrast, under the procedures used in this report, individuals first coming on the SSI rolls through a finding of presumptive disability would be counted as a “new entrant” in the first month of presumptive disability payment.

Table IV.B2.—SSI Federally-Administered New Entrants, Calendar Years 1974-2026
[In thousands]

Calendar year ¹	Blind or disabled, by age group					Aged, by age group			Totals ²		
	0-17	18-34	35-49	50-64	65-74	75 or older	65-74	75 or older	Blind or disabled	Aged	All
Historical data:											
1974 ³	4/	4/	4/	4/	4/	4/	4/	4/	1,919	2,479	4,398
1975	4/	4/	4/	4/	4/	4/	4/	4/	584	347	931
1976	4/	4/	4/	4/	4/	4/	4/	4/	452	218	669
1977	4/	4/	4/	4/	4/	4/	4/	4/	429	209	637
1978	4/	4/	4/	4/	4/	4/	4/	4/	370	193	563
1979	4/	4/	4/	4/	4/	4/	4/	4/	330	169	499
1980	41	92	61	142	4	5/	125	59	341	184	524
1981	37	77	49	106	3	5/	80	37	272	117	389
1982	38	63	51	90	4	5/	72	31	245	103	348
1983	47	88	62	117	3	5/	95	51	317	146	463
1984	47	109	78	142	4	5/	131	78	380	209	589
1985	48	104	80	148	4	5/	106	46	384	152	536
1986	55	127	109	153	5	5/	110	51	449	161	610
1987	48	119	106	157	5	5/	116	52	435	167	602
1988	50	101	108	146	5	1	112	56	412	167	579
1989	48	113	115	155	5	5/	127	62	436	189	625
1990	76	136	134	182	5	5/	149	66	533	215	748
1991	126	146	172	200	6	5/	139	54	650	193	844
1992	221	199	221	233	6	5/	133	48	881	181	1,062
1993	235	194	221	225	6	5/	136	49	881	185	1,066
1994	204	164	207	215	6	5/	116	42	796	157	953
1995	177	147	207	218	5	5/	105	36	755	141	895
1996	145	134	193	203	6	1	93	35	681	128	809
1997	116	111	171	178	4	5/	68	25	580	93	673
1998	135	117	181	194	7	1	78	30	634	108	742
1999	140	114	186	195	5	5/	88	33	640	120	760
2000	145	112	180	191	5	5/	84	31	633	115	748
2001	157	121	185	198	4	5/	79	28	665	107	772
Estimated:											
2002	171	130	192	211	5	5/	79	28	708	107	815
2003	176	137	201	228	5	5/	81	28	747	110	857
2004	176	137	202	236	5	5/	83	29	756	112	868
2005	170	133	196	238	5	5/	84	29	742	114	856
2006	167	131	191	244	5	5/	86	30	738	116	854
2007	164	129	185	249	6	5/	89	30	733	119	852
2008	161	126	178	254	7	5/	89	30	726	119	845
2009	159	124	172	257	6	5/	88	29	719	118	836
2010	159	125	168	261	6	5/	89	29	720	118	838
2011	159	125	165	265	7	5/	94	29	722	123	844
2012	160	126	163	268	7	5/	99	29	725	128	853
2013	161	127	161	272	7	5/	102	29	728	131	859
2014	161	127	160	275	7	5/	106	29	731	135	866
2015	162	127	160	277	8	5/	109	30	734	139	873
2016	162	128	160	278	8	5/	113	30	736	144	880
2017	163	128	160	279	8	5/	117	31	738	148	885
2018	163	129	161	278	8	5/	120	32	739	152	891
2019	164	130	161	277	9	5/	124	33	740	157	898
2020	164	130	161	277	9	5/	128	34	741	162	903
2021	164	131	162	275	9	5/	132	35	742	167	909
2022	165	132	164	273	9	5/	135	37	742	172	914
2023	165	132	166	270	9	5/	138	38	742	176	918
2024	165	132	168	266	9	5/	141	40	741	181	922
2025	165	132	171	263	10	5/	144	41	741	185	926
2026	165	132	173	259	10	5/	146	43	740	189	929

¹ Represents period in which first payment was made, not date of first eligibility for payments.

² Historical totals estimated based on 1-percent or 10-percent sample data.

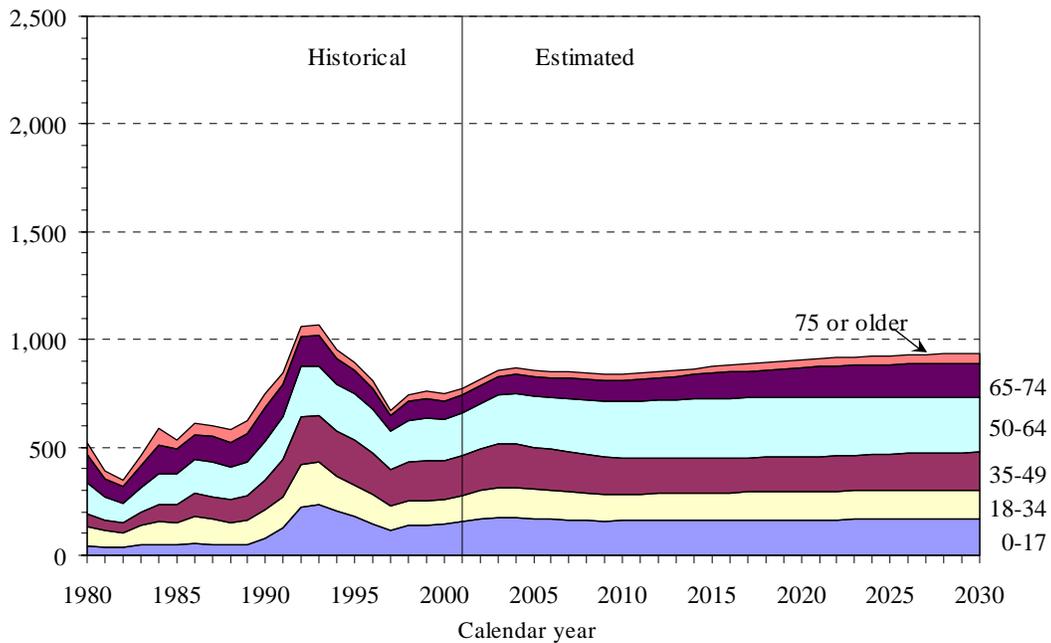
³ Totals for 1974 include recipients converted from previous State programs as well as new entrants to the SSI program during 1974.

⁴ Age-specific information for these years not yet available.

⁵ Fewer than 500.

Note: Totals do not necessarily equal the sums of rounded components. Historical split among age groups is estimated on a calendar year of age basis.

Figure IV.B2.—SSI Federally-Administered New Entrants by Age Group, Calendar Years 1980-2030
[In thousands]



Some of the persons receiving SSI benefits in a year will be removed from current-payment status during the year because of death or the loss of SSI eligibility. The loss of eligibility can occur either as the result of an evaluation of the individual's nonmedical factors of eligibility, including income and resources, or due to a determination that he/she is no longer disabled as defined under the Social Security Act. For example, disabled children, upon attainment of age 18, lose eligibility if they do not qualify for benefits under the disabled adult eligibility criteria. For purposes of this presentation, we refer to the net reduction in the number of SSI recipients in payment status during a period as the number of SSI terminations for that period.

In the following tables, we have separated the numbers of people moving out of payment status into those leaving due to death (table IV.B3), and those leaving for all other reasons (table IV.B4). Table IV.B5 and figure IV.B3 present historical and projected numbers of total terminations by calendar year.

Actual experience for terminations in 2001 was 2.7 percent lower than anticipated in the 2001 Annual Report. Terminations due to death were slightly higher than anticipated, but terminations due to reasons other than death were 4.4 percent lower than estimated last year.

Some historical details on income and resource redeterminations and the results of continuing disability reviews are presented in section V.D. Section V.E presents information on certain incentive programs intended to encourage disabled SSI recipients to return to work.

Table IV.B3.—SSI Federally-Administered Terminations Due to Death, Calendar Years 1974-2026
[In thousands]

Calendar year	Blind or disabled, by age group					Aged, by age group			Totals ¹		
	0-17	18-34	35-49	50-64	65-74	75 or older	65-74	75 or older	Blind or disabled	Aged	All
Historical data:											
1974	2/	2/	2/	2/	2/	2/	2/	2/	2/	2/	2/
1975	3/	3/	3/	3/	3/	3/	3/	3/	65	147	212
1976	3/	3/	3/	3/	3/	3/	3/	3/	64	137	201
1977	3/	3/	3/	3/	3/	3/	3/	3/	65	137	203
1978	3/	3/	3/	3/	3/	3/	3/	3/	67	126	193
1979	3/	3/	3/	3/	3/	3/	3/	3/	67	121	189
1980	3	5	9	31	22	1	27	100	71	127	198
1981	3	5	8	31	24	2	21	92	73	112	186
1982	3	4	8	28	21	2	16	80	65	96	161
1983	3	6	8	25	21	3	15	79	65	94	158
1984	3	4	9	29	18	5	13	83	67	96	163
1985	2	6	10	29	24	6	17	84	77	101	178
1986	2	8	12	28	22	8	15	83	80	98	178
1987	3	8	13	30	23	10	15	82	87	97	184
1988	5	8	14	31	25	12	16	81	95	97	191
1989	3	8	16	33	23	12	15	78	95	93	187
1990	4	9	18	36	22	14	16	75	103	92	194
1991	4	9	20	39	23	17	17	74	112	91	203
1992	4	11	22	38	22	15	16	69	111	84	195
1993	6	13	27	41	23	17	16	72	127	88	215
1994	6	14	27	41	23	17	16	69	127	85	212
1995	6	13	30	43	24	18	16	65	135	81	216
1996	7	12	30	44	24	18	16	67	135	83	218
1997	5	10	24	43	24	19	15	64	127	79	206
1998	5	9	24	43	25	20	14	64	127	78	205
1999	5	9	25	45	25	21	13	63	131	76	207
2000	5	8	27	46	25	21	12	61	132	73	205
2001	5	8	28	47	25	22	11	60	135	71	207
Estimated:											
2002	6	9	28	49	26	20	11	60	136	71	207
2003	6	9	29	51	27	21	11	60	143	72	214
2004	6	9	29	54	27	21	11	60	146	71	217
2005	6	9	29	56	28	22	11	59	150	70	220
2006	6	9	29	58	29	22	11	59	153	69	222
2007	6	9	29	60	30	22	11	58	156	69	225
2008	6	9	29	62	30	22	11	58	159	69	227
2009	6	10	28	64	31	23	11	57	161	68	230
2010	6	10	27	66	32	23	11	57	164	68	232
2011	6	10	27	67	33	23	11	56	166	67	234
2012	6	10	26	68	34	24	11	56	168	67	236
2013	6	10	26	69	35	24	12	55	171	67	238
2014	6	10	25	70	37	25	12	55	173	67	240
2015	7	10	25	70	38	25	12	54	175	67	242
2016	7	10	25	71	39	26	13	54	177	67	244
2017	7	10	25	71	40	27	13	54	179	67	246
2018	7	10	25	71	41	27	14	54	181	68	249
2019	7	10	25	71	42	28	14	54	183	68	251
2020	7	10	25	71	44	28	15	54	185	69	253
2021	7	11	25	70	45	29	15	54	186	70	256
2022	7	11	25	69	46	30	16	55	188	71	259
2023	7	11	25	69	47	31	16	56	189	72	262
2024	7	11	26	68	48	32	16	57	191	74	264
2025	7	11	26	67	49	33	17	58	192	75	267
2026	7	11	26	66	50	34	17	60	193	77	270

¹ Historical totals estimated based on 1-percent or 10-percent sample data.

² Data not available.

³ Age-specific information for these years not yet available.

Note: Totals do not necessarily equal the sums of rounded components. Historical split among age groups is estimated on a calendar year of age basis.

Table IV.B4.—SSI Federally-Administered Terminations Due to Reasons Other Than Death, Calendar Years 1974-2026
[In thousands]

Calendar year	Blind or disabled, by age group					Aged, by age group			Totals ¹		
	0-17	18-34	35-49	50-64	65-74	75 or older	65-74	75 or older	Blind or disabled	Aged	All
Historical data:											
1974	2/	2/	2/	2/	2/	2/	2/	2/	2/	2/	2/
1975	3/	3/	3/	3/	3/	3/	3/	3/	221	180	401
1976	3/	3/	3/	3/	3/	3/	3/	3/	306	240	546
1977	3/	3/	3/	3/	3/	3/	3/	3/	265	168	433
1978	3/	3/	3/	3/	3/	3/	3/	3/	241	150	391
1979	3/	3/	3/	3/	3/	3/	3/	3/	234	144	378
1980	19	48	43	80	23	1	44	77	214	121	334
1981	17	43	39	72	21	1	49	86	192	134	326
1982	19	48	43	79	23	1	50	87	212	137	348
1983	18	43	36	63	14	1	25	61	175	86	261
1984	13	51	37	77	21	1	37	60	200	98	298
1985	11	42	37	68	13	2	23	54	172	77	249
1986	18	49	47	73	16	3	34	60	206	94	300
1987	19	51	48	75	17	3	32	57	214	89	302
1988	19	52	51	74	15	5	33	59	216	93	309
1989	19	55	52	72	16	4	33	58	218	91	308
1990	14	52	57	73	17	8	40	68	221	108	330
1991	20	50	70	84	18	5	33	58	248	91	339
1992	39	68	94	103	19	8	34	56	329	90	419
1993	34	73	97	106	22	8	37	55	340	92	433
1994	41	73	101	107	18	8	32	49	348	81	429
1995	47	81	111	115	20	7	32	48	382	80	461
1996	47	89	128	119	21	8	29	49	413	78	491
1997	128	105	147	115	18	8	24	40	522	64	586
1998	67	89	112	110	19	8	22	38	406	61	466
1999	119	111	120	116	20	9	24	43	495	68	563
2000	84	99	111	112	22	9	22	38	437	61	498
2001	65	95	111	118	20	9	22	38	418	60	478
Estimated:											
2002	70	99	121	125	20	8	20	37	443	57	500
2003	74	107	127	131	20	8	20	37	467	58	525
2004	77	106	125	136	20	8	20	37	473	57	530
2005	80	106	123	140	21	9	19	37	480	56	536
2006	79	107	123	146	21	9	19	37	485	56	541
2007	76	109	122	151	22	9	20	37	489	56	545
2008	70	110	120	157	23	9	20	37	488	56	544
2009	66	111	118	162	24	9	20	37	490	57	546
2010	62	113	116	166	24	9	20	36	491	57	548
2011	61	115	113	170	25	9	21	36	493	57	549
2012	62	115	111	172	26	10	22	35	496	57	553
2013	63	116	110	174	27	10	22	35	499	57	557
2014	64	117	108	176	28	10	23	35	502	58	560
2015	64	118	107	177	29	10	24	34	505	58	563
2016	64	119	107	177	30	10	25	34	507	59	566
2017	64	120	107	177	31	11	25	34	510	60	569
2018	65	121	107	176	32	11	26	34	512	61	573
2019	65	123	107	176	33	11	27	34	514	62	576
2020	65	124	107	175	34	11	28	35	516	63	579
2021	65	125	108	174	34	12	29	35	517	64	581
2022	65	126	109	172	35	12	30	36	518	66	584
2023	65	127	110	170	36	12	30	37	519	67	586
2024	65	127	111	167	37	13	31	37	520	69	589
2025	65	128	113	165	37	13	32	38	521	70	591
2026	65	128	115	163	38	14	33	39	522	72	594

¹ Historical totals estimated based on 1-percent or 10-percent sample data.

² Data not available.

³ Age-specific information for these years not yet available.

Note: Totals do not necessarily equal the sums of rounded components. Historical split among age groups is estimated on a calendar year of age basis.

Table IV.B5.—SSI Federally-Administered Terminations for All Reasons, Calendar Years 1974-2026
[In thousands]

Calendar year	Blind or disabled, by age group					Aged, by age group			Totals ¹		
	0-17	18-34	35-49	50-64	65-74	75 or older	65-74	75 or older	Blind or disabled	Aged	All
Historical data:											
1974	2/	2/	2/	2/	2/	2/	2/	2/	2/	2/	2/
1975	3/	3/	3/	3/	3/	3/	3/	3/	287	326	613
1976	3/	3/	3/	3/	3/	3/	3/	3/	371	377	748
1977	3/	3/	3/	3/	3/	3/	3/	3/	330	305	636
1978	3/	3/	3/	3/	3/	3/	3/	3/	308	276	584
1979	3/	3/	3/	3/	3/	3/	3/	3/	301	265	566
1980	22	53	52	111	45	2	70	177	284	248	532
1981	20	48	47	103	45	3	69	177	266	246	512
1982	21	52	51	107	43	2	65	168	277	233	510
1983	21	49	44	87	34	4	39	140	240	180	419
1984	16	55	46	106	39	6	50	144	267	194	461
1985	13	47	47	97	37	8	40	138	249	178	427
1986	21	58	59	101	38	11	48	143	287	192	478
1987	22	59	61	106	40	13	47	138	301	185	486
1988	24	60	65	105	39	18	49	140	311	189	500
1989	22	63	69	105	39	15	47	136	312	183	496
1990	18	61	75	109	39	22	56	144	324	200	524
1991	25	60	90	123	40	22	50	132	360	182	542
1992	42	78	115	140	41	23	50	125	440	175	614
1993	40	86	124	148	45	24	54	127	467	181	648
1994	47	87	128	148	41	24	48	118	475	166	642
1995	54	94	142	158	44	25	47	113	517	160	677
1996	54	101	158	163	45	27	45	116	548	161	710
1997	133	116	172	159	43	26	39	105	648	143	792
1998	73	98	136	153	44	29	36	102	533	138	671
1999	124	120	146	161	45	31	38	106	626	144	770
2000	89	107	138	159	46	29	35	99	569	134	703
2001	70	103	139	166	45	31	34	98	554	132	685
Estimated:											
2002	76	107	148	174	45	29	31	96	579	128	707
2003	80	116	156	183	47	29	31	98	610	129	739
2004	83	115	154	190	47	30	31	97	619	128	747
2005	86	116	153	196	48	30	30	96	629	126	756
2006	85	117	153	204	50	31	30	96	638	126	764
2007	82	118	151	211	52	31	30	95	645	125	770
2008	76	119	149	218	53	31	30	95	647	125	772
2009	72	121	146	225	55	32	31	94	651	125	776
2010	69	123	143	232	56	32	31	93	655	125	780
2011	67	124	140	237	58	33	32	92	659	124	783
2012	68	125	137	240	61	33	33	91	665	124	789
2013	69	126	135	243	63	34	34	90	670	124	794
2014	70	127	134	245	65	35	35	90	675	125	800
2015	70	128	133	247	67	35	36	89	680	125	805
2016	71	129	132	248	69	36	38	88	684	126	810
2017	71	130	132	248	71	37	39	88	689	127	816
2018	71	132	132	247	73	38	40	88	693	128	821
2019	71	133	132	246	75	39	41	88	697	130	827
2020	71	134	132	246	77	39	43	88	700	132	832
2021	71	136	133	244	80	41	44	89	704	134	837
2022	71	137	134	241	81	42	45	91	706	136	843
2023	72	137	135	238	83	43	46	93	709	139	848
2024	72	138	137	235	85	45	48	95	711	142	853
2025	72	138	139	232	86	46	49	97	713	145	858
2026	72	139	141	228	88	47	50	99	715	149	864

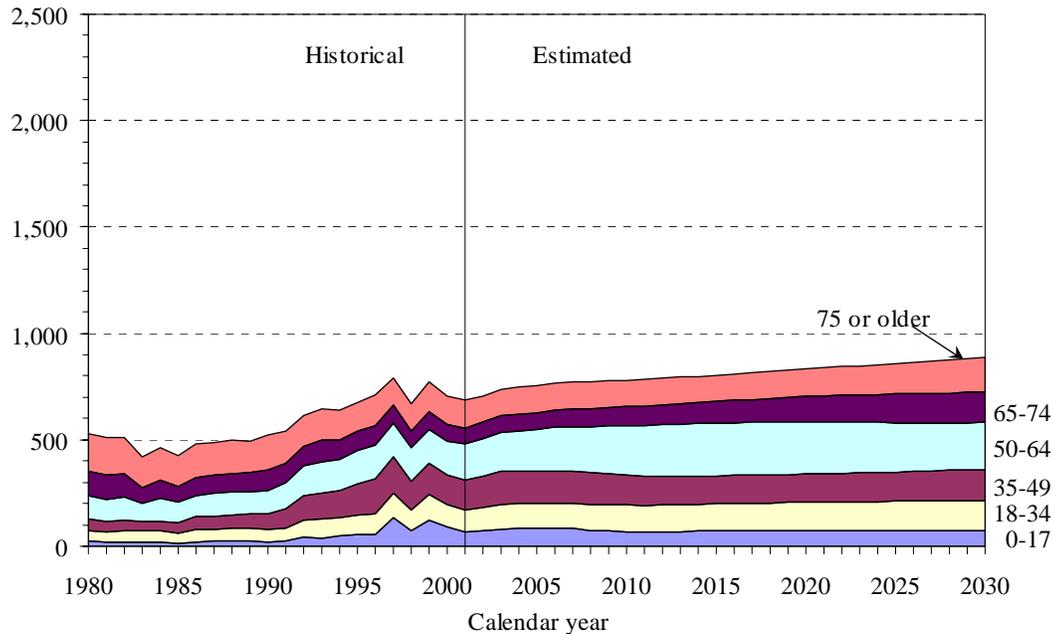
¹ Historical totals estimated based on 1-percent or 10-percent sample data.

² Data not available.

³ Age-specific information for these years not yet available.

Note: Totals do not necessarily equal the sums of rounded components. Historical split among age groups is estimated on a calendar year of age basis.

Figure IV.B3.—SSI Federally-Administered Terminations by Age Group, Calendar Years 1980-2030
[In thousands]



Combining the number of persons coming on the SSI payment rolls during a year with the number of those already receiving benefits at the beginning of the year, and subtracting the number leaving the rolls during the year, yields the number of persons receiving Federally-administered SSI payments at the end of the specified period. Individuals receiving Federal SSI payments, who comprise the great majority of Federally-administered recipients, are presented in table IV.B6 and in figure IV.B4. The net effect of actual experience in 2001 was that there were roughly 0.6 percent more Federal SSI recipients at the end of 2001 than estimated for the 2001 Annual Report.

Table IV.B6.—SSI Recipients with Federal Benefits in Current-Payment Status as of December, 1974-2026
[In thousands]

Year	Blind or disabled, by age group					Aged, by age group		Totals			
	0-17	18-34	35-49	50-64	65-74	75 or older	65-74	75 or older	Blind or disabled	Aged	All
Historical data:											
1974	1/	1/	1/	1/	1/	1/	1/	1/	1/	1/	1/
1975	2/	2/	2/	2/	2/	2/	2/	2/	1,869	2,025	3,893
1976	2/	2/	2/	2/	2/	2/	2/	2/	1,932	1,867	3,799
1977	2/	2/	2/	2/	2/	2/	2/	2/	2,013	1,765	3,778
1978	2/	2/	2/	2/	2/	2/	2/	2/	2,069	1,686	3,755
1979	2/	2/	2/	2/	2/	2/	2/	2/	2,094	1,593	3,687
1980	188	500	351	750	342	17	609	925	2,149	1,533	3,682
1981	194	514	349	720	366	17	541	888	2,160	1,430	3,590
1982	191	517	346	683	386	21	459	871	2,144	1,329	3,473
1983	198	555	366	692	412	28	449	890	2,250	1,339	3,590
1984	210	595	393	700	406	48	463	884	2,352	1,347	3,699
1985	226	634	426	717	402	72	462	860	2,477	1,322	3,799
1986	240	688	475	739	397	91	465	827	2,630	1,291	3,922
1987	249	717	524	756	392	113	464	804	2,751	1,268	4,019
1988	254	738	564	774	387	127	468	777	2,844	1,245	4,089
1989	263	757	613	799	382	145	488	760	2,959	1,247	4,206
1990	306	788	677	840	389	156	508	749	3,156	1,257	4,412
1991	395	833	769	897	390	166	542	736	3,451	1,279	4,730
1992	555	920	877	970	402	173	577	727	3,898	1,304	5,202
1993	721	990	979	1,034	410	179	604	720	4,312	1,324	5,636
1994	839	1,032	1,071	1,089	425	182	610	716	4,638	1,326	5,965
1995	915	1,058	1,150	1,134	435	188	601	713	4,880	1,315	6,194
1996	954	1,066	1,198	1,176	444	192	586	711	5,029	1,296	6,326
1997	878	1,039	1,196	1,198	457	193	547	704	4,960	1,251	6,212
1998	885	1,038	1,238	1,243	464	197	521	705	5,063	1,226	6,289
1999	845	1,005	1,274	1,278	474	195	499	704	5,072	1,203	6,275
2000	844	994	1,303	1,313	484	196	483	703	5,134	1,186	6,320
2001	879	995	1,329	1,353	493	196	461	703	5,245	1,165	6,410

Table IV.B6.—SSI Recipients with Federal Benefits in Current-Payment Status as of December, 1974-2026 (Cont.)
[In thousands]

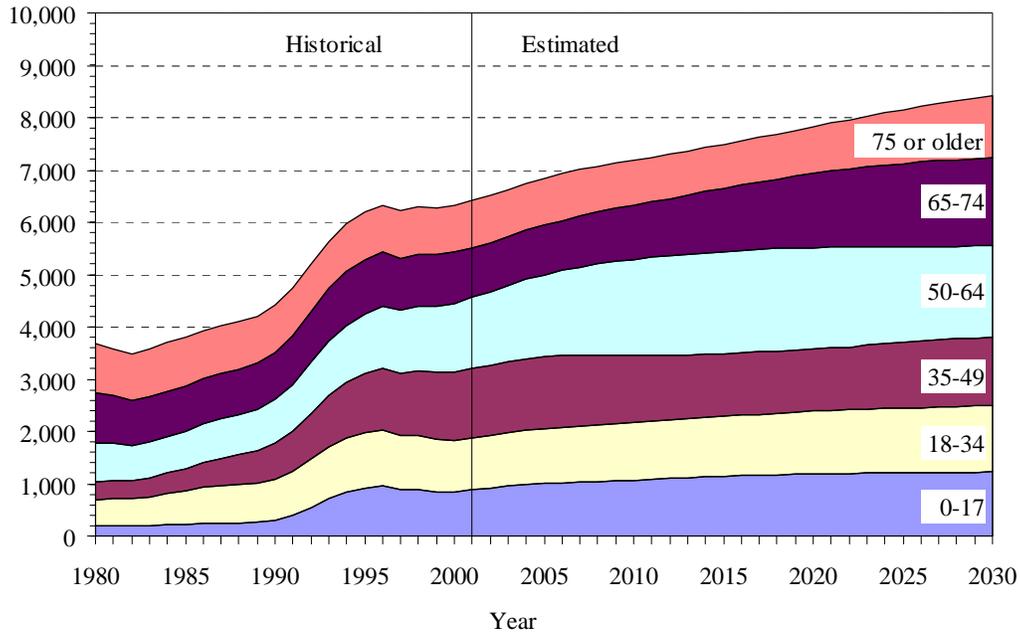
Year	Blind or disabled, by age group					Aged, by age group			Totals		All
	0-17	18-34	35-49	50-64	65-74	75 or older	65-74	75 or older	Blind or disabled	Aged	
Estimated:											
2002	919	1,004	1,342	1,399	502	200	444	700	5,366	1,145	6,511
2003	955	1,019	1,355	1,457	510	204	430	697	5,499	1,126	6,625
2004	985	1,034	1,368	1,520	516	208	420	691	5,631	1,111	6,742
2005	1,005	1,044	1,374	1,577	526	214	412	687	5,740	1,099	6,839
2006	1,020	1,055	1,371	1,634	539	217	413	677	5,836	1,090	6,926
2007	1,030	1,070	1,357	1,688	556	220	417	666	5,920	1,083	7,004
2008	1,040	1,086	1,335	1,738	574	222	423	654	5,995	1,077	7,072
2009	1,052	1,099	1,309	1,787	586	226	428	642	6,059	1,070	7,129
2010	1,068	1,110	1,281	1,836	596	230	432	632	6,121	1,064	7,185
2011	1,086	1,119	1,255	1,872	616	233	441	621	6,181	1,062	7,243
2012	1,103	1,126	1,232	1,896	643	238	454	611	6,239	1,065	7,304
2013	1,119	1,134	1,214	1,921	665	242	467	604	6,294	1,071	7,365
2014	1,133	1,142	1,199	1,941	687	246	483	597	6,348	1,080	7,428
2015	1,145	1,150	1,191	1,954	708	252	500	593	6,400	1,093	7,493
2016	1,156	1,159	1,188	1,960	730	257	518	591	6,450	1,108	7,558
2017	1,165	1,168	1,190	1,959	751	265	534	594	6,497	1,127	7,624
2018	1,171	1,180	1,191	1,955	773	271	550	599	6,541	1,149	7,690
2019	1,177	1,192	1,191	1,950	797	277	571	603	6,583	1,174	7,757
2020	1,182	1,202	1,191	1,944	823	281	595	607	6,622	1,201	7,823
2021	1,188	1,211	1,194	1,931	844	290	612	620	6,659	1,232	7,890
2022	1,194	1,220	1,203	1,911	863	302	624	640	6,693	1,264	7,957
2023	1,200	1,228	1,217	1,888	882	311	640	658	6,725	1,298	8,023
2024	1,205	1,234	1,234	1,862	899	320	656	677	6,754	1,333	8,087
2025	1,209	1,238	1,252	1,836	916	330	672	697	6,781	1,369	8,150
2026	1,213	1,243	1,269	1,812	929	339	687	719	6,805	1,405	8,210

¹ Data not available.

² Age-specific information for these years not yet available.

Note: Totals do not necessarily equal the sums of rounded components. Historical split among age groups is estimated on a calendar year of age basis.

Figure IV.B4.—SSI Recipients with Federal Benefits in Current-Payment Status, by Age Group, as of December, 1980-2030
[In thousands]



As illustrated in figure IV.B4, the implementation of Public Law 104-121 and Public Law 104-193 resulted in a decline in the Federal recipient population from 1996 to 1997. From the end of 1997 through the end of 2000, the Federal SSI recipient population grew at an annual rate of less than 1 percent. As discussed above, the experience in 2001 resulted in a slightly higher rate of increase (1.4 percent). Our projections indicate that we expect to gradually return to the modest growth rate of less than 1 percent per year over the remainder of the 25-year projection period. In order to place this projected growth in the context of overall population growth, table IV.B7 and figure IV.B5 present Federal SSI recipients as percentages of selected Social Security Area population totals. For the totals shown in this presentation, the percentages are calculated using the population age group totals corresponding to the age groups in the Federal recipient categories. Because the ratios for the separate recipient categories are computed as percentages of differing base populations, the percentage for the total SSI recipient population is not the arithmetic sum of the percentages for the respective recipient categories.

Table IV.B7.—SSI Recipients with Federal Benefits in Current-Payment Status as a Percentage of Selected Social Security Area Population Totals, as of December, 1975-2026

Year	Blind or disabled, by age group						Aged, by age group		Totals		
	0-17	18-34	35-49	50-64	65-74	75 or older	65-74	75 or older	Blind or disabled ¹	Aged ²	All ³
Historical data:											
1975	4/	4/	4/	4/	4/	4/	4/	4/	0.83	8.62	1.73
1976	4/	4/	4/	4/	4/	4/	4/	4/	.85	7.76	1.67
1977	4/	4/	4/	4/	4/	4/	4/	4/	.88	7.16	1.65
1978	4/	4/	4/	4/	4/	4/	4/	4/	.89	6.68	1.62
1979	4/	4/	4/	4/	4/	4/	4/	4/	.90	6.17	1.58
1980	0.29	0.70	0.91	2.19	2.16	0.17	3.84	8.78	.91	5.82	1.56
1981	.30	.72	.87	2.10	2.27	.16	3.36	8.20	.91	5.31	1.50
1982	.29	.71	.83	1.99	2.35	.19	2.80	7.79	.89	4.82	1.44
1983	.30	.76	.85	2.03	2.47	.24	2.70	7.75	.92	4.76	1.47
1984	.32	.81	.88	2.06	2.40	.40	2.74	7.49	.96	4.69	1.50
1985	.34	.87	.92	2.11	2.33	.59	2.68	7.11	1.00	4.51	1.53
1986	.36	.94	1.00	2.20	2.26	.74	2.64	6.67	1.05	4.31	1.56
1987	.38	.98	1.06	2.25	2.20	.89	2.60	6.33	1.09	4.15	1.59
1988	.38	1.00	1.10	2.30	2.14	.98	2.59	5.97	1.11	4.00	1.60
1989	.39	1.03	1.16	2.38	2.08	1.08	2.66	5.70	1.14	3.94	1.63
1990	.45	1.09	1.24	2.49	2.10	1.13	2.74	5.44	1.21	3.89	1.69
1991	.57	1.16	1.36	2.63	2.09	1.17	2.90	5.20	1.31	3.89	1.79
1992	.79	1.30	1.51	2.80	2.13	1.19	3.06	4.99	1.46	3.90	1.95
1993	1.02	1.42	1.64	2.94	2.16	1.20	3.18	4.82	1.60	3.90	2.09
1994	1.17	1.49	1.75	3.04	2.23	1.19	3.20	4.69	1.70	3.86	2.19
1995	1.26	1.55	1.82	3.13	2.29	1.20	3.16	4.56	1.78	3.79	2.26
1996	1.31	1.57	1.86	3.14	2.34	1.20	3.09	4.43	1.81	3.71	2.28
1997	1.20	1.55	1.84	3.07	2.43	1.18	2.91	4.31	1.77	3.56	2.22
1998	1.20	1.55	1.88	3.08	2.49	1.18	2.79	4.24	1.80	3.47	2.23
1999	1.15	1.51	1.91	3.06	2.56	1.16	2.69	4.17	1.78	3.40	2.21
2000	1.14	1.49	1.94	3.03	2.61	1.15	2.61	4.12	1.79	3.33	2.20
2001	1.18	1.49	1.97	3.01	2.67	1.14	2.50	4.08	1.81	3.26	2.22
Estimated:											
2002	1.23	1.50	1.99	3.00	2.72	1.15	2.40	4.02	1.84	3.19	2.23
2003	1.27	1.51	2.01	3.02	2.75	1.16	2.32	3.96	1.87	3.12	2.25
2004	1.31	1.53	2.04	3.04	2.76	1.18	2.25	3.90	1.90	3.05	2.27
2005	1.33	1.54	2.05	3.04	2.79	1.20	2.18	3.86	1.92	3.00	2.29
2006	1.35	1.54	2.06	3.05	2.81	1.21	2.15	3.79	1.94	2.94	2.30
2007	1.36	1.55	2.05	3.05	2.81	1.23	2.11	3.72	1.95	2.87	2.30
2008	1.37	1.55	2.05	3.06	2.79	1.24	2.06	3.65	1.96	2.80	2.31
2009	1.39	1.55	2.03	3.05	2.77	1.26	2.02	3.58	1.96	2.74	2.31
2010	1.41	1.54	2.02	3.05	2.74	1.28	1.99	3.51	1.97	2.68	2.31
2011	1.43	1.54	2.00	3.04	2.72	1.29	1.95	3.43	1.97	2.61	2.31
2012	1.45	1.54	1.99	3.04	2.69	1.30	1.90	3.35	1.97	2.53	2.31
2013	1.46	1.53	1.98	3.04	2.66	1.32	1.87	3.28	1.98	2.47	2.31
2014	1.47	1.54	1.96	3.04	2.63	1.32	1.85	3.21	1.98	2.42	2.32
2015	1.48	1.54	1.95	3.03	2.60	1.33	1.84	3.14	1.98	2.37	2.32
2016	1.49	1.55	1.94	3.03	2.58	1.34	1.83	3.08	1.98	2.34	2.32
2017	1.50	1.56	1.94	3.03	2.56	1.34	1.82	3.02	1.98	2.30	2.33
2018	1.50	1.57	1.93	3.02	2.55	1.34	1.82	2.96	1.98	2.27	2.33
2019	1.51	1.57	1.92	3.02	2.54	1.33	1.82	2.90	1.98	2.25	2.33
2020	1.51	1.58	1.92	3.01	2.52	1.32	1.82	2.85	1.98	2.23	2.34
2021	1.51	1.59	1.91	3.01	2.52	1.31	1.82	2.81	1.98	2.22	2.34
2022	1.52	1.59	1.91	3.01	2.52	1.31	1.82	2.77	1.97	2.20	2.35
2023	1.52	1.60	1.91	3.01	2.51	1.29	1.82	2.73	1.97	2.19	2.35
2024	1.52	1.61	1.91	3.00	2.51	1.28	1.83	2.71	1.97	2.19	2.36
2025	1.53	1.61	1.91	3.00	2.50	1.27	1.83	2.68	1.96	2.18	2.36
2026	1.53	1.62	1.91	3.00	2.49	1.26	1.84	2.66	1.96	2.18	2.37

¹ Blind or disabled recipients as a percentage of the total Social Security Area population.

² Aged recipients as a percentage of the 65 or older Social Security Area population.

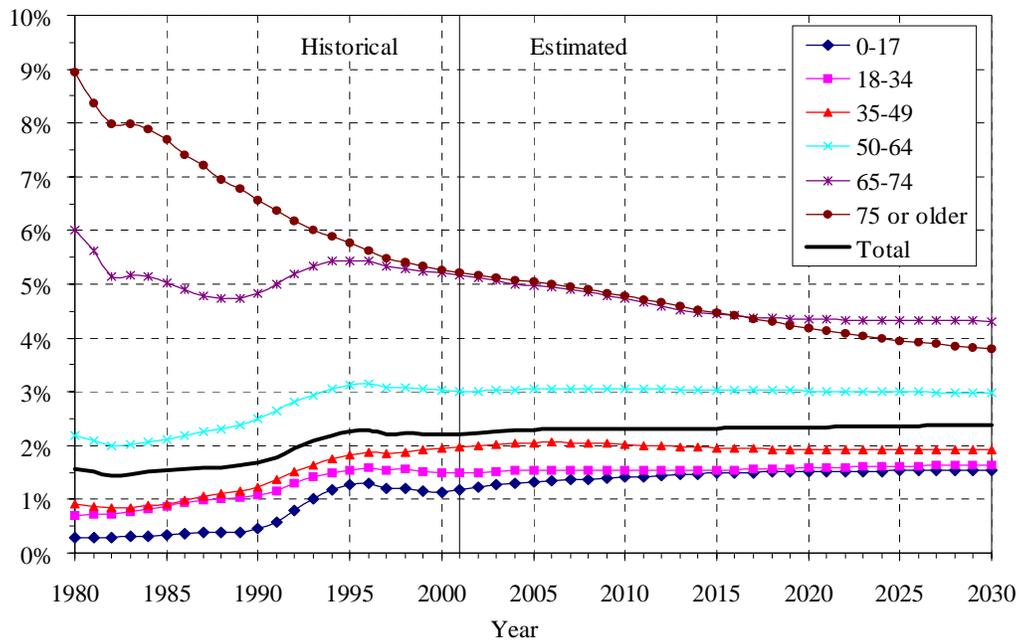
³ Total recipients as a percentage of the total Social Security Area population. Totals do not equal sums of components due to overlapping populations.

⁴ Age-specific information for these years not yet available.

Table IV.B7 indicates that the percentage of the total Social Security Area population who were receiving Federal SSI payments declined from the inception of the program through the early 1980s. In 1983, this percentage started increasing and continued to increase through 1996. Due to factors described previously, the percentage of the total population receiving Federal SSI payments declined in 1997, but has leveled out since and is expected to remain fairly constant throughout the projection period.

The various subcategories of Federal SSI recipients, however, follow significantly different growth patterns in relationship to their respective population totals. The aged Federal SSI recipient population declines steadily as a percentage of the 65 or older population. In contrast, except for recent decreases due to the eligibility redeterminations and continuing disability reviews mandated by Public Law 104-193, the number of blind or disabled children receiving Federal SSI payments increased steadily as a percentage of the under age 18 population, with the increase being quite steep in the early 1990s. The total blind or disabled Federal SSI recipient population as a percentage of the total population remained fairly level until the early 1980s when it started increasing and continued to increase through 1996. After the recent modest decreases due to the implementation of legislation described in other sections the number of blind or disabled persons receiving Federal SSI payments is estimated to increase very gradually as a percentage of the total population.

Figure IV.B5.—SSI Recipients with Federal Benefits in Current-Payment Status as a Percentage of Selected Social Security Area Population Age Groups, as of December, 1980-2030



Historical and projected numbers of individuals who receive only a Federally-administered State supplement are presented in table IV.B8.

Table IV.B8.—SSI Recipients with Federally-Administered State Supplementary Benefits Only, in Current-Payment Status as of December, 1974-2026

[In thousands]

Year	Blind or disabled, by age group					Aged, by age group		Totals			
	0-17	18-34	35-49	50-64	65-74	75 or older	65-74	75 or older	Blind or disabled	Aged	All
Historical data:											
1974	1/	1/	1/	1/	1/	1/	1/	1/	1/	1/	1/
1975	2/	2/	2/	2/	2/	2/	2/	2/	139	282	421
1976	2/	2/	2/	2/	2/	2/	2/	2/	156	280	437
1977	2/	2/	2/	2/	2/	2/	2/	2/	174	286	460
1978	2/	2/	2/	2/	2/	2/	2/	2/	180	282	462
1979	2/	2/	2/	2/	2/	2/	2/	2/	184	278	462
1980	2	20	26	82	52	2	112	162	185	274	460
1981	1	19	26	75	58	2	94	155	181	248	429
1982	1	18	23	68	53	2	82	137	165	219	384
1983	1	17	19	50	44	4	65	111	136	176	312
1984	1	18	23	50	47	7	68	116	147	184	331
1985	1	21	28	53	45	8	67	115	157	182	339
1986	1	23	31	55	45	11	66	116	166	182	348
1987	1	26	36	60	43	12	72	115	178	187	366
1988	1	26	42	59	44	14	74	114	187	188	375
1989	2	28	45	60	45	16	76	115	195	192	387
1990	2	31	54	60	44	17	82	116	208	197	405
1991	2	29	54	59	42	17	78	108	203	186	389
1992	2	29	55	59	37	16	70	97	197	167	364
1993	2	29	58	59	34	15	64	88	197	151	348
1994	2	28	59	56	32	14	59	81	192	139	331
1995	3	25	59	56	32	14	54	77	188	131	320
1996	2	21	54	53	29	13	49	68	172	116	288
1997	2	20	55	53	29	13	46	65	172	111	283
1998	2	18	54	55	28	13	43	63	171	106	277
1999	2	18	57	58	28	13	43	62	177	105	282
2000	2	17	57	60	29	13	42	61	179	103	282
2001	2	17	56	62	29	12	41	59	179	100	278
Estimated:											
2002	3	18	57	66	31	13	41	58	186	99	285
2003	3	18	56	69	32	13	40	58	191	98	289
2004	3	18	56	72	33	13	40	57	195	97	292
2005	3	18	56	74	34	13	39	57	199	97	296
2006	3	18	56	77	35	13	40	57	203	96	300
2007	3	19	56	80	36	14	40	56	207	96	304
2008	3	19	56	83	38	13	41	56	211	96	308
2009	3	19	55	86	38	14	41	55	215	96	311
2010	3	20	54	89	39	14	41	55	218	96	314
2011	3	20	53	91	40	14	42	54	221	96	317
2012	3	20	52	92	42	14	43	54	223	97	320
2013	3	20	51	94	43	14	45	53	226	98	323
2014	3	20	51	95	45	14	46	53	228	99	327
2015	3	21	50	95	46	15	48	53	230	100	330
2016	3	21	50	96	47	15	50	53	232	102	334
2017	3	21	50	96	49	15	51	53	234	104	338
2018	3	21	50	96	50	16	53	54	236	107	342
2019	3	21	50	96	52	16	55	54	237	109	347
2020	3	21	50	95	53	16	57	55	239	112	351
2021	3	22	50	95	55	17	59	56	241	115	356
2022	3	22	50	94	56	18	60	58	243	118	361
2023	3	22	51	93	57	18	62	60	244	122	366
2024	3	22	52	91	58	19	63	62	245	125	371
2025	3	22	52	90	59	19	65	64	246	129	375
2026	3	22	53	89	60	20	66	66	247	132	380

¹ Data not available.² Age-specific information for these years not yet available.

Note: Totals do not necessarily equal the sums of rounded components. Historical split among age groups is estimated on a calendar year of age basis.

The combined numbers of persons receiving either a Federal SSI payment or a Federally-administered State supplement are displayed in table IV.B9.

In examining the recent history of SSI participation and the projections of such participation in the near future, certain patterns are worth noting. The rapid increase in the total number of SSI participants in the early 1990s is a function of the growth in the numbers of disabled adults and children. The growth in the numbers of children receiving SSI resulted in large part from the Supreme Court decision in the case of *Sullivan v. Zebley*, which greatly expanded the criteria used for determining disability for children. The

growth in the numbers of disabled adults is a more complicated phenomenon which is still not completely understood. However, extensive research conducted under contract to SSA and the Department of Health and Human Services suggested that this growth was the result of a combination of factors including (1) demographic trends, (2) a downturn in the economy in the late 1980s and early 1990s, (3) long-term structural changes in the economy, and (4) changes in other support programs (in particular the reduction or elimination of general assistance programs in certain States). The recent modest changes in program participation reflects the combined effects of recent legislation described in previous sections, along with changes in some of the factors mentioned above.

Table IV.B9.—SSI Recipients with Federally-Administered Benefits in Current-Payment Status as of December, 1974-2026
[In thousands]

Year	Blind or disabled, by age group					Aged, by age group			Totals		
	0-17	18-34	35-49	50-64	65-74	75 or older	65-74	75 or older	Blind or disabled	Aged	All
Historical data:											
1974	1/	1/	1/	1/	1/	1/	1/	1/	1,710	2,286	3,996
1975	1/	1/	1/	1/	1/	1/	1/	1/	2,007	2,307	4,314
1976	1/	1/	1/	1/	1/	1/	1/	1/	2,088	2,148	4,236
1977	1/	1/	1/	1/	1/	1/	1/	1/	2,187	2,051	4,238
1978	1/	1/	1/	1/	1/	1/	1/	1/	2,249	1,968	4,217
1979	1/	1/	1/	1/	1/	1/	1/	1/	2,278	1,872	4,150
1980	190	521	377	833	393	20	721	1,086	2,334	1,808	4,142
1981	195	533	375	795	424	19	635	1,043	2,341	1,678	4,019
1982	192	535	369	751	439	23	541	1,008	2,309	1,549	3,858
1983	198	572	386	742	456	32	514	1,001	2,386	1,515	3,901
1984	212	613	417	751	453	54	531	999	2,499	1,530	4,029
1985	227	655	454	769	447	80	530	975	2,634	1,504	4,138
1986	241	711	506	794	442	102	531	942	2,796	1,473	4,269
1987	251	743	560	816	436	124	536	920	2,930	1,455	4,385
1988	255	764	606	833	431	142	543	891	3,030	1,433	4,464
1989	265	785	658	859	427	160	564	875	3,154	1,439	4,593
1990	309	819	731	900	432	172	589	865	3,363	1,454	4,817
1991	397	863	823	956	432	183	620	845	3,654	1,465	5,118
1992	556	949	932	1,029	440	189	647	824	4,095	1,471	5,566
1993	723	1,019	1,036	1,093	445	194	667	808	4,509	1,475	5,984
1994	841	1,060	1,130	1,146	457	196	669	797	4,830	1,466	6,296
1995	917	1,083	1,209	1,190	467	202	656	790	5,068	1,446	6,514
1996	955	1,087	1,252	1,229	472	205	634	778	5,201	1,413	6,614
1997	880	1,059	1,251	1,252	486	205	593	770	5,133	1,362	6,495
1998	887	1,056	1,292	1,298	492	209	564	768	5,234	1,332	6,566
1999	847	1,024	1,331	1,336	503	208	543	765	5,249	1,308	6,557
2000	847	1,011	1,360	1,373	513	209	525	764	5,312	1,289	6,602
2001	882	1,012	1,385	1,415	522	209	502	762	5,424	1,264	6,688
Estimated:											
2002	921	1,022	1,399	1,465	533	213	485	759	5,553	1,243	6,796
2003	958	1,037	1,411	1,525	542	217	470	754	5,690	1,224	6,914
2004	987	1,052	1,424	1,592	550	222	460	749	5,827	1,208	7,035
2005	1,008	1,062	1,431	1,651	561	227	452	744	5,940	1,196	7,135
2006	1,023	1,073	1,428	1,712	575	230	452	734	6,039	1,186	7,226
2007	1,033	1,089	1,413	1,767	593	234	457	723	6,128	1,180	7,307
2008	1,043	1,105	1,391	1,820	611	236	464	710	6,207	1,174	7,380
2009	1,055	1,118	1,364	1,873	624	240	469	698	6,274	1,166	7,440
2010	1,071	1,129	1,335	1,925	634	244	473	687	6,339	1,160	7,499
2011	1,089	1,139	1,308	1,963	656	247	483	675	6,401	1,158	7,560
2012	1,106	1,146	1,284	1,988	685	252	497	665	6,462	1,162	7,624
2013	1,122	1,154	1,265	2,014	708	257	512	657	6,520	1,169	7,688
2014	1,136	1,162	1,249	2,036	732	261	529	650	6,576	1,179	7,755
2015	1,148	1,171	1,241	2,050	754	266	548	645	6,630	1,193	7,823
2016	1,159	1,180	1,238	2,056	777	272	567	643	6,682	1,211	7,892
2017	1,168	1,188	1,239	2,055	799	280	585	647	6,730	1,232	7,962
2018	1,174	1,200	1,241	2,051	823	287	603	653	6,777	1,256	8,032
2019	1,180	1,213	1,241	2,045	849	293	626	657	6,820	1,283	8,103
2020	1,186	1,223	1,240	2,039	876	297	652	662	6,861	1,314	8,175
2021	1,191	1,233	1,244	2,026	899	307	671	676	6,900	1,347	8,246
2022	1,197	1,242	1,253	2,005	919	319	684	698	6,936	1,382	8,318
2023	1,203	1,250	1,268	1,980	939	329	701	718	6,969	1,420	8,388
2024	1,208	1,256	1,285	1,954	958	339	719	739	6,999	1,458	8,457
2025	1,212	1,260	1,304	1,926	975	349	736	761	7,027	1,498	8,525
2026	1,216	1,265	1,322	1,901	989	359	753	785	7,052	1,538	8,590

¹ Age-specific information for these years not yet available.

Note: Totals do not necessarily equal the sums of rounded components. Historical split among age groups is estimated on a calendar year of age basis.

C. FEDERAL PAYMENTS UNDER SSI

In order to estimate future amounts of Federal expenditures under SSI, the projected Federal benefit rates shown in table IV.A2 are first modified to reflect actual payment levels, taking into account historical and projected levels of adjustments for other actual or deemed income. Combining these actual payment levels with the projected numbers of persons receiving Federal SSI payments yields estimates of the amounts of Federal SSI payments. Historical amounts of such payments on a calendar year basis are shown in table IV.C1. For purposes of this presentation, these payment amounts are computed on a cash-flow basis consistent with the concepts used to define SSI obligations for the Federal Budget. As a result, for months after January 1978, SSI payments due on the first of the month are tabulated in the previous month, if the first of the month falls on a weekend or Federal holiday.¹

Table IV.C1.—SSI Federal Payments in Current Dollars,¹ Calendar Years 1974-2002
[In millions]

Calendar year	Blind or disabled, by age group					Aged, by age group			Totals		
	0-17	18-34	35-49	50-64	65-74	75 or older	65-74	75 or older	Blind or disabled	Aged	All
1974.....	2/	2/	2/	2/	2/	2/	2/	2/	\$2,050	\$1,783	\$3,833
1975.....	2/	2/	2/	2/	2/	2/	2/	2/	2,471	1,843	4,314
1976.....	2/	2/	2/	2/	2/	2/	2/	2/	2,727	1,785	4,512
1977.....	2/	2/	2/	2/	2/	2/	2/	2/	2,966	1,737	4,703
1978 ³	2/	2/	2/	2/	2/	2/	2/	2/	3,449	1,847	5,296
1979.....	2/	2/	2/	2/	2/	2/	2/	2/	3,546	1,760	5,306
1980.....	\$397	\$931	\$731	\$1,420	\$544	\$28	\$642	\$1,230	4,051	1,872	5,923
1981.....	458	1,079	821	1,542	654	32	643	1,320	4,586	1,963	6,549
1982.....	512	1,211	883	1,590	704	38	630	1,364	4,937	1,994	6,931
1983.....	574	1,372	985	1,704	774	58	624	1,440	5,466	2,064	7,530
1984.....	659	1,576	1,128	1,835	836	102	670	1,512	6,136	2,182	8,318
1985.....	736	1,709	1,250	1,924	833	160	699	1,499	6,611	2,198	8,809
1986.....	831	1,929	1,452	2,043	848	209	731	1,479	7,312	2,210	9,522
1987.....	900	2,081	1,618	2,157	846	259	765	1,444	7,860	2,210	10,069
1988.....	955	2,228	1,818	2,303	874	304	814	1,449	8,481	2,263	10,744
1989.....	1,025	2,431	2,048	2,481	936	366	881	1,479	9,286	2,361	11,647
1990.....	1,201	2,660	2,395	2,792	969	407	987	1,532	10,423	2,519	12,943
1991.....	1,678	3,129	2,966	3,305	1,060	463	1,169	1,637	12,601	2,806	15,407
1992.....	3,154	3,900	3,577	3,790	1,124	487	1,303	1,690	16,033	2,993	19,026
1993.....	3,909	4,465	4,164	4,188	1,208	513	1,471	1,759	18,447	3,230	21,677
1994.....	4,167	4,504	4,666	4,533	1,274	538	1,566	1,814	19,682	3,380	23,063
1995.....	4,657	4,777	5,155	4,896	1,357	565	1,599	1,900	21,407	3,499	24,906
1996.....	4,947	5,004	5,614	5,298	1,427	590	1,643	1,977	22,880	3,621	26,501
1997.....	4,920	5,031	5,564	5,410	1,505	614	1,586	2,046	23,044	3,632	26,675
1998.....	4,965	5,150	5,901	5,777	1,588	635	1,542	2,136	24,017	3,678	27,695
1999.....	4,835	5,132	6,185	6,037	1,660	654	1,503	2,206	24,503	3,709	28,212
2000.....	4,789	5,121	6,404	6,293	1,717	675	1,470	2,309	24,999	3,779	28,778
2001.....	5,104	5,354	6,817	6,783	1,838	713	1,470	2,454	26,608	3,924	30,532
2002 ⁴	5,439	5,570	7,080	7,225	1,929	740	1,428	2,525	27,981	3,953	31,934

¹ Total historical payments for 1974-77 agree with those presented in the *Annual Statistical Supplement to the Social Security Bulletin*. Total historical payments for 1978-83 are estimated.

² Age-specific information for these years not yet available.

³ Includes 13 months of payments since payments due on January 1, 1978 and January 1, 1979 were both paid in calendar year 1978.

⁴ Partially estimated.

Note: Totals do not necessarily equal the sums of rounded components. Historical split among age groups is estimated on a calendar year of age basis.

Using this cash-flow concept causes these payments to differ from similar amounts shown in other Social Security Administration publications, such as the *Annual Statistical Supplement to the Social Security Bulletin*, in two main ways. First, the payments shown in the *Annual Statistical Supplement* are tabulated for the month the payment is due, while the amounts shown in table IV.C1 are tabulated for the month they are actually paid. In particular, since January 1 of each year is a Federal holiday, SSI payments due on January 1 of years 1979 and later are actually paid in December of the previous year. Thus, for example, the calendar year 2001 payment amounts shown in table IV.C1 reflect payments made in January-December of 2000.

¹ Public Law 95-216, the Social Security Amendments of 1977, enacted December 20, 1977, added a statutory requirement that SSI payments, which are normally due on the first of the month, be delivered early when the normal delivery date falls on a Saturday, Sunday or Federal holiday. When the first of the month falls on a weekend or Federal holiday, all payments due on that day are paid in the previous month. Payments presented on a cash-flow basis are tabulated according to the month in which they are actually paid.

ber, 2001, and include the payments due on January 1, 2002 (which were actually paid in December, 2001), but not the payments due on January 1, 2001 (which were actually paid in December, 2000). Second, beginning in 1991, SSI obligations as accounted for in the Federal Budget are not reduced for certain recovered overpayments which are remitted directly to the Department of the Treasury. The payments shown in the *Annual Statistical Supplement* continue to report an amount which is reduced by such overpayment recoveries as was done for the Budget prior to 1991.

Corresponding amounts of SSI outlays on a fiscal year¹ basis are presented in table IV.C2 for fiscal years 1978-2002. Fiscal years prior to 1978 are omitted from table IV.C2 since historical SSI payment amounts on a fiscal year basis for years prior to 1978 are not readily available. As with the calendar year figures, these fiscal year amounts are shown on a cash-flow basis. Consequently, fiscal years 1979 and later may contain 11, 12, or 13 months of payments, depending on whether October 1 of the current and succeeding fiscal years falls on a weekend.² Fiscal year 1978 contains 13 months of payments.

Table IV.C2.—SSI Federal Payments in Current Dollars, Fiscal Years 1978-2002
[In millions]

Fiscal year	Blind or disabled, by age group					Aged, by age group			Totals		
	0-17	18-34	35-49	50-64	65-74	75 or older	65-74	75 or older	Blind or disabled	Aged	All
1978.....	1/	1/	1/	1/	1/	1/	1/	1/	\$3,386	\$1,848	\$5,234
1979 ²	1/	1/	1/	1/	1/	1/	1/	1/	3,172	1,610	4,782
1980.....	\$372	\$877	\$698	\$1,360	\$506	\$26	\$629	\$1,184	3,840	1,813	5,653
1981.....	442	1,039	797	1,508	625	31	647	1,307	4,442	1,954	6,396
1982.....	499	1,181	861	1,570	693	36	640	1,356	4,840	1,996	6,836
1983.....	596	1,416	1,024	1,783	806	56	660	1,510	5,680	2,170	7,850
1984 ²	588	1,411	1,005	1,665	760	85	613	1,391	5,514	2,004	7,517
1985.....	713	1,662	1,215	1,895	828	145	691	1,502	6,459	2,193	8,652
1986.....	800	1,864	1,386	1,995	840	196	723	1,487	7,080	2,209	9,290
1987.....	880	2,030	1,565	2,119	845	242	755	1,448	7,681	2,203	9,884
1988.....	1,009	2,356	1,898	2,425	932	316	860	1,559	8,935	2,419	11,354
1989 ²	1,012	2,378	1,997	2,452	910	345	862	1,473	9,094	2,335	11,430
1990 ²	1,039	2,378	2,115	2,479	876	362	879	1,394	9,247	2,273	11,521
1991.....	1,519	2,975	2,772	3,141	1,032	447	1,120	1,608	11,886	2,728	14,614
1992.....	2,684	3,621	3,398	3,653	1,099	476	1,269	1,680	14,932	2,949	17,881
1993.....	3,817	4,377	3,977	4,033	1,175	502	1,420	1,730	17,880	3,150	21,029
1994.....	4,328	4,771	4,866	4,756	1,344	569	1,659	1,930	20,635	3,588	24,223
1995 ²	4,554	4,719	5,031	4,822	1,341	560	1,596	1,884	21,027	3,480	24,507
1996 ²	4,543	4,595	5,123	4,830	1,305	540	1,510	1,808	20,936	3,317	24,254
1997.....	4,933	5,004	5,529	5,340	1,478	606	1,602	2,027	22,890	3,629	26,519
1998.....	4,915	5,114	5,816	5,688	1,567	630	1,548	2,110	23,729	3,658	27,387
1999.....	4,901	5,152	6,123	5,975	1,638	648	1,506	2,180	24,438	3,685	28,123
2000.....	5,152	5,500	6,827	6,692	1,822	718	1,599	2,453	26,710	4,052	30,763
2001 ²	4,597	4,869	6,170	6,125	1,670	652	1,352	2,236	24,083	3,588	27,671
2002 ³	5,314	5,491	6,993	7,068	1,898	731	1,441	2,502	27,495	3,943	31,438

¹ Age-specific information for these years not yet available.

² Payment due on October 1 of fiscal year paid in previous fiscal year.

³ Partially estimated.

Note: Totals do not necessarily equal the sums of rounded components. Historical split among age groups is estimated on a calendar year of age basis.

When projecting dollar amounts over longer periods of time, the changing value of the dollar due to inflation can make meaningful comparisons of such amounts difficult. For this reason, in projecting SSI expenditures for 25 years, some means of removing inflation is generally desirable. The Consumer Price Index for Urban Wage Earners and Clerical Workers, published by the Bureau of Labor Statistics and used to

¹ Fiscal years 1977 and later cover the period from October 1 of the previous calendar year to September 30 of the year. For example, fiscal year 2002 payments include payments made from October 1, 2001 through September 30, 2002.

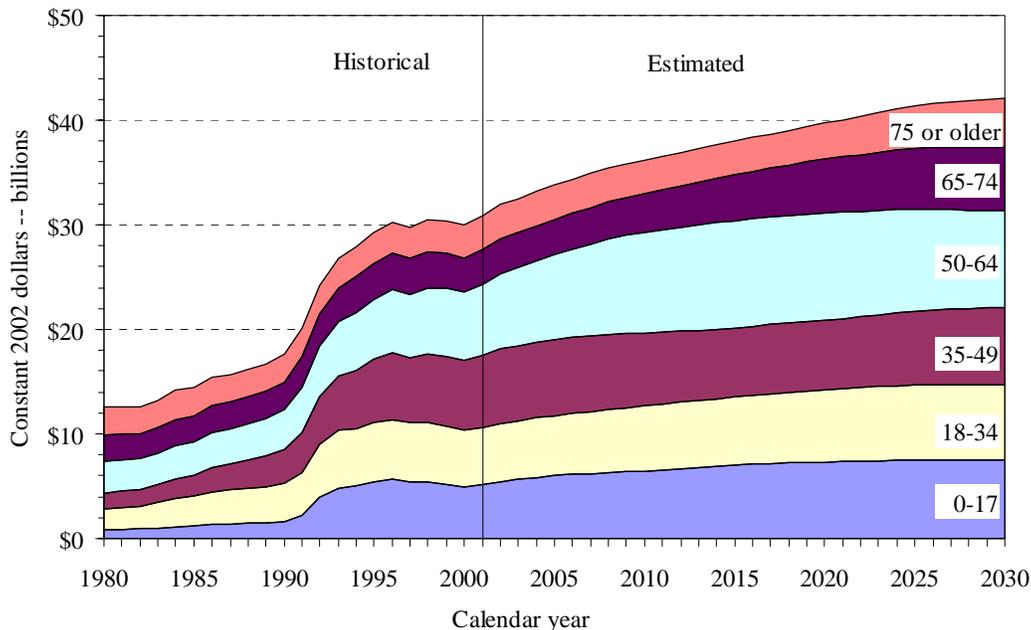
² Generally, for fiscal years 1979 and later, the number of months of payments included in the fiscal year is:

- 11 months if October 1 of the current, but not the succeeding fiscal year falls on a weekend;
- 12 months if October 1 of both the current and succeeding fiscal years falls during the week (all payments made in the fiscal year due);
- 12 months if October 1 of both the current and succeeding fiscal years falls on a weekend (both payments due on October 1 paid in preceding fiscal year); and
- 13 months if October 1 of the succeeding, but not current, fiscal year falls on a weekend.

determine annual increases in the SSI Federal benefit rate as described in table IV.A2, is an appropriate means of standardizing projected SSI costs over time. Constant-dollar values of Federal SSI benefit payments (those adjusted by the CPI) are presented in table IV.C3 for both the historical period, calendar years 1974-2001, and the full 25-year projection period, 2002-26. This same information is presented in graphical form in figure IV.C1.

The future growth in the “constant dollar” estimates is attributable primarily to the underlying growth in the U.S. population as shown in table IV.A1, since, after the spike in terminations in 1997, the SSI recipient population is projected to remain fairly constant as a percentage of the total U.S. population. However, a small part of the growth in estimated payments is due to some underlying real growth in the assumed average SSI benefit. This results from an estimated increase in the disabled child recipients and a decrease in aged recipients as a percentage of the total SSI recipient population, along with the fact that disabled children typically have a much larger SSI benefit than do aged recipients.¹

Figure IV.C1.—SSI Federal Payments, by Age Group, in Constant 2002 Dollars, Calendar Years 1980-2030
[In billions]



¹ Disabled children typically have higher monthly Federal payment amounts because they have, on average, much lower countable income than do adult recipients.

Table IV.C3.—SSI Federal Payments in Constant 2002 Dollars, Calendar Years 1974-2026
[In millions]

Calendar year	Blind or disabled, by age group					Aged, by age group			Totals		
	0-17	18-34	35-49	50-64	65-74	75 or older	65-74	75 or older	Blind or disabled	Aged	All
Historical data:											
1974	/	/	/	/	/	/	/	/	\$7,267	\$6,319	\$13,586
1975	/	/	/	/	/	/	/	/	8,028	5,989	14,017
1976	/	/	/	/	/	/	/	/	8,381	5,486	13,867
1977	/	/	/	/	/	/	/	/	8,563	5,014	13,577
1978 ²	/	/	/	/	/	/	/	/	9,243	4,949	14,192
1979	/	/	/	/	/	/	/	/	8,528	4,233	12,761
1980	\$842	\$1,974	\$1,551	\$3,011	\$1,154	\$59	\$1,361	\$2,608	8,591	3,969	12,560
1981	881	2,075	1,579	2,966	1,258	61	1,236	2,540	8,821	3,776	12,597
1982	930	2,196	1,602	2,884	1,277	69	1,142	2,475	8,958	3,617	12,575
1983	1,010	2,417	1,735	3,001	1,363	102	1,099	2,536	9,628	3,635	13,264
1984	1,122	2,682	1,920	3,123	1,423	173	1,141	2,573	10,442	3,714	14,156
1985	1,210	2,810	2,055	3,164	1,370	263	1,150	2,465	10,873	3,614	14,487
1986	1,346	3,123	2,351	3,307	1,372	338	1,183	2,394	11,837	3,577	15,414
1987	1,406	3,251	2,528	3,370	1,322	405	1,196	2,257	12,282	3,453	15,735
1988	1,436	3,351	2,734	3,463	1,314	457	1,225	2,179	12,755	3,403	16,158
1989	1,470	3,485	2,936	3,557	1,343	524	1,264	2,121	13,316	3,385	16,700
1990	1,636	3,625	3,264	3,805	1,320	554	1,346	2,088	14,205	3,433	17,638
1991	2,197	4,096	3,883	4,326	1,388	606	1,530	2,143	16,495	3,673	20,168
1992	4,012	4,962	4,551	4,822	1,430	620	1,657	2,150	20,395	3,807	24,202
1993	4,836	5,524	5,151	5,181	1,495	635	1,820	2,176	22,822	3,996	26,818
1994	5,031	5,438	5,634	5,474	1,538	650	1,891	2,190	23,765	4,081	27,846
1995	5,465	5,606	6,050	5,746	1,592	663	1,877	2,230	25,123	4,107	29,229
1996	5,644	5,709	6,405	6,044	1,628	673	1,875	2,256	26,102	4,131	30,232
1997	5,488	5,612	6,207	6,035	1,678	685	1,769	2,282	25,705	4,051	29,756
1998	5,465	5,670	6,496	6,360	1,748	699	1,698	2,351	26,438	4,049	30,487
1999	5,208	5,528	6,662	6,503	1,788	704	1,619	2,377	26,394	3,996	30,390
2000	4,985	5,330	6,666	6,550	1,787	703	1,530	2,404	26,020	3,934	29,954
2001	5,168	5,422	6,903	6,869	1,861	722	1,489	2,485	26,945	3,974	30,919
Estimated:											
2002	5,439	5,570	7,080	7,225	1,929	740	1,428	2,525	27,981	3,953	31,934
2003	5,668	5,618	7,135	7,472	1,939	747	1,369	2,509	28,577	3,877	32,454
2004	5,861	5,697	7,223	7,799	1,965	763	1,338	2,511	29,307	3,849	33,155
2005	6,006	5,762	7,287	8,112	2,006	783	1,315	2,518	29,957	3,833	33,790
2006	6,116	5,841	7,310	8,436	2,061	794	1,318	2,503	30,559	3,821	34,379
2007	6,199	5,950	7,283	8,752	2,134	810	1,329	2,478	31,128	3,806	34,934
2008	6,280	6,062	7,215	9,057	2,208	821	1,349	2,447	31,643	3,796	35,440
2009	6,363	6,154	7,106	9,343	2,263	838	1,364	2,419	32,067	3,783	35,850
2010	6,466	6,228	6,983	9,606	2,311	855	1,377	2,393	32,449	3,769	36,218
2011	6,586	6,292	6,868	9,807	2,402	870	1,400	2,357	32,825	3,757	36,582
2012	6,709	6,351	6,774	9,957	2,516	892	1,437	2,325	33,198	3,762	36,960
2013	6,817	6,402	6,690	10,092	2,609	911	1,476	2,300	33,521	3,776	37,296
2014	6,922	6,455	6,628	10,202	2,703	929	1,521	2,280	33,838	3,802	37,639
2015	7,014	6,510	6,602	10,271	2,792	952	1,571	2,268	34,143	3,839	37,982
2016	7,100	6,576	6,609	10,307	2,887	977	1,627	2,267	34,456	3,894	38,350
2017	7,169	6,635	6,630	10,302	2,980	1,009	1,675	2,280	34,726	3,956	38,682
2018	7,225	6,718	6,656	10,290	3,080	1,039	1,728	2,302	35,008	4,030	39,037
2019	7,275	6,800	6,672	10,272	3,189	1,064	1,795	2,320	35,272	4,114	39,387
2020	7,320	6,865	6,682	10,240	3,299	1,085	1,867	2,338	35,490	4,205	39,695
2021	7,369	6,928	6,715	10,181	3,396	1,123	1,917	2,391	35,712	4,308	40,020
2022	7,420	6,990	6,784	10,085	3,484	1,173	1,954	2,468	35,936	4,422	40,358
2023	7,468	7,048	6,882	9,975	3,574	1,216	2,003	2,539	36,163	4,541	40,705
2024	7,514	7,098	6,995	9,859	3,661	1,258	2,053	2,613	36,385	4,666	41,051
2025	7,547	7,126	7,100	9,723	3,735	1,297	2,103	2,689	36,529	4,792	41,321
2026	7,559	7,151	7,195	9,594	3,794	1,337	2,151	2,774	36,630	4,926	41,556

¹ Age-specific information for these years not yet available.

² Includes 13 months of payments since payments due on January 1, 1978 and January 1, 1979 were both paid in calendar year 1978.

Note: Totals do not necessarily equal the sums of rounded components. Historical split among age groups is estimated on a calendar year of age basis.

Although detailed projections of SSI State supplementary payments are not prepared, historical information on the amounts of such supplements is presented in tables IV.C4 and IV.C5. These amounts are consistent with those presented in the *Annual Statistical Supplement to the Social Security Bulletin* and are shown only for the two broad recipient categories.

Table IV.C4.—SSI Federally-Administered State Supplementary Payments in Current Dollars, Calendar Years 1974-2001
[In millions]

Calendar year	Aged	Blind or disabled	Total
1974	\$631	\$632	\$1,264
1975	674	729	1,403
1976	635	753	1,388
1977	627	804	1,431
1978	636	855	1,491
1979	661	928	1,590
1980	757	1,091	1,848
1981	731	1,108	1,839
1982	694	1,104	1,798
1983	645	1,066	1,711
1984	645	1,148	1,792
1985	694	1,278	1,973
1986	759	1,484	2,243
1987	849	1,714	2,563
1988	873	1,798	2,671
1989	954	2,001	2,955
1990	1,038	2,201	3,239
1991	999	2,232	3,231
1992	1,023	2,412	3,435
1993	934	2,336	3,270
1994	876	2,240	3,116
1995	864	2,253	3,118
1996	833	2,155	2,988
1997	824	2,090	2,913
1998	838	2,165	3,003
1999	921	2,380	3,301
2000	943	2,439	3,381
2001 ¹	956	2,505	3,460

¹ Split between recipient categories is estimated.

Note: Totals do not necessarily equal the sums of rounded components.

Table IV.C5.—SSI State-Administered Payments¹ in Current Dollars, Calendar Years 1974-2001
[In millions]

Calendar year	Aged	Blind or disabled	Total ²
1974	\$89	\$49	\$149
1975	88	74	162
1976	88	77	166
1977	85	87	172
1978	91	88	180
1979	105	100	207
1980	117	106	226
1981	120	113	237
1982	125	119	276
1983	135	132	270
1984	141	152	299
1985	138	165	311
1986	147	185	340
1987	146	205	359
1988	150	224	381
1989	160	251	419
1990	177	281	466
1991	200	310	529
1992	216	323	550
1993	219	341	566
1994	225	354	585
1995	228	356	590
1996	225	307	539
1997	228	303	681
1998	259	429	808
1999	271	461	853
2000	283	488	893
2001	295	494	895

¹ Data provided by individual States are partially estimated, and may be incomplete.

² Includes amounts not distributed by recipient category.

D. FEDERAL SSI PAYMENTS AS A PERCENTAGE OF GROSS DOMESTIC PRODUCT

For SSI, an appropriate relative measure of program costs is produced by comparing estimated annual SSI costs to the Gross Domestic Product (GDP—the total value of goods and services produced in the United States). In addition to providing an inflation-independent measure of the cost of the SSI program, this provides a useful perspective on the proportion of the total output of the U.S. economy needed to provide Federal SSI benefits. As is shown in table IV.D1 and figure IV.D1, the total cost of the SSI program is projected to grow slightly in 2002, but then, after 2002, is projected to decline relative to GDP.

Table IV.D1 and figure IV.D1 present a concise summary of Federal expenditures under the SSI program. Following the initial higher costs of the program, total Federal SSI payments during the 1980s were a fairly constant percentage of GDP (0.21 percent). During the early 1990s, SSI experienced rather rapid growth (to 0.34 percent of GDP in 1996) due to a combination of factors discussed earlier in section IV. Welfare reform legislation resulted in a drop in the cost of SSI as a percentage of GDP in 1997. As mentioned earlier, the estimates prepared for this report project total participation in the SSI program to remain a stable proportion of the U.S. population. Federal SSI expenditures, after adjusting for growth in prices, are projected to grow slightly faster than the population due to the estimated small amount of real growth in the SSI average benefit, as discussed previously in section IV.C. Since the real growth projected for GDP under the 2002 Trustees Report intermediate assumptions is greater than the combined effects of increases in SSI participation and the estimated real increase in the SSI average benefit, Federal SSI payments are projected to decline as a percentage of GDP over the next 25 years, reaching 0.25 percent of GDP by 2026.

Figure IV.D1.—SSI Federal Payments, by Age Group, as a Percentage of GDP, Calendar Years 1980-2030

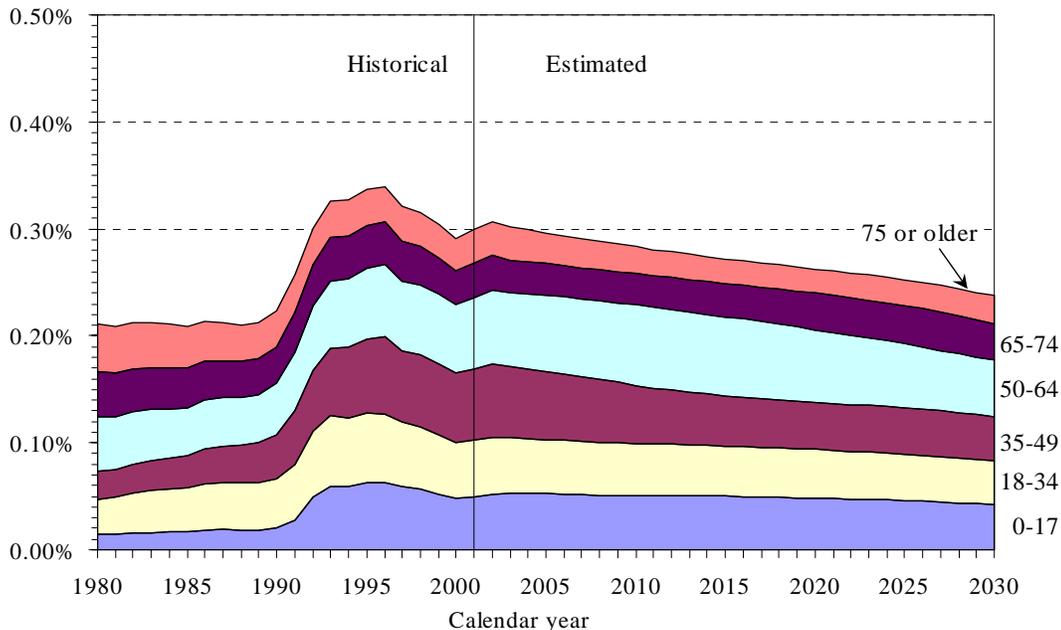


Table IV.D1.—SSI Federal Payments as a Percentage of GDP, Calendar Years 1974-2026

Calendar year	GDP (In billions)	Blind or disabled, by age group					Aged, by age group			Totals			
		0-17	18-34	35-49	50-64	65-74	75 or older	65-74	75 or older	Blind or disabled	Aged	All	
Historical data:													
1974	\$1,501	1/	1/	1/	1/	1/	1/	1/	1/	1/	0.137	0.119	0.255
1975	1,635	1/	1/	1/	1/	1/	1/	1/	1/	1/	.151	.113	.264
1976	1,824	1/	1/	1/	1/	1/	1/	1/	1/	1/	.150	.098	.247
1977	2,031	1/	1/	1/	1/	1/	1/	1/	1/	1/	.146	.085	.232
1978	2,296	1/	1/	1/	1/	1/	1/	1/	1/	1/	.150	.080	.231
1979	2,566	1/	1/	1/	1/	1/	1/	1/	1/	1/	.138	.069	.207
1980	2,796	0.014	0.033	0.026	0.051	0.019	0.001	0.023	0.044	.145	.067	.212	
1981	3,131	.015	.034	.026	.049	.021	.001	.021	.042	.146	.063	.209	
1982	3,259	.016	.037	.027	.049	.022	.001	.019	.042	.151	.061	.213	
1983	3,535	.016	.039	.028	.048	.022	.002	.018	.041	.155	.058	.213	
1984	3,933	.017	.040	.029	.047	.021	.003	.017	.038	.156	.055	.212	
1985	4,213	.017	.041	.030	.046	.020	.004	.017	.036	.157	.052	.209	
1986	4,453	.019	.043	.033	.046	.019	.005	.016	.033	.164	.050	.214	
1987	4,742	.019	.044	.034	.045	.018	.005	.016	.030	.166	.047	.212	
1988	5,108	.019	.044	.036	.045	.017	.006	.016	.028	.166	.044	.210	
1989	5,489	.019	.044	.037	.045	.017	.007	.016	.027	.169	.043	.212	
1990	5,803	.021	.046	.041	.048	.017	.007	.017	.026	.180	.043	.223	
1991	5,986	.028	.052	.050	.055	.018	.008	.020	.027	.211	.047	.257	
1992	6,319	.050	.062	.057	.060	.018	.008	.021	.027	.254	.047	.301	
1993	6,642	.059	.067	.063	.063	.018	.008	.022	.026	.278	.049	.326	
1994	7,054	.059	.064	.066	.064	.018	.008	.022	.026	.279	.048	.327	
1995	7,401	.063	.065	.070	.066	.018	.008	.022	.026	.289	.047	.337	
1996	7,813	.063	.064	.072	.068	.018	.008	.021	.025	.293	.046	.339	
1997	8,318	.059	.060	.067	.065	.018	.007	.019	.025	.277	.044	.321	
1998	8,782	.057	.059	.067	.066	.018	.007	.018	.024	.273	.042	.315	
1999	9,269	.052	.055	.067	.065	.018	.007	.016	.024	.264	.040	.304	
2000	9,873	.049	.052	.065	.064	.017	.007	.015	.023	.253	.038	.291	
2001	10,197	.050	.053	.067	.067	.018	.007	.014	.024	.261	.038	.299	
Estimated:													
2002	10,430	.052	.053	.068	.069	.018	.007	.014	.024	.268	.038	.306	
2003	11,039	.053	.052	.066	.069	.018	.007	.013	.023	.265	.036	.301	
2004	11,681	.053	.051	.065	.070	.018	.007	.012	.023	.264	.035	.299	
2005	12,356	.053	.051	.064	.071	.018	.007	.012	.022	.263	.034	.296	
2006	13,068	.052	.050	.062	.072	.018	.007	.011	.021	.261	.033	.294	
2007	13,814	.052	.050	.061	.073	.018	.007	.011	.021	.259	.032	.291	
2008	14,550	.051	.049	.059	.074	.018	.007	.011	.020	.258	.031	.289	
2009	15,298	.051	.049	.057	.075	.018	.007	.011	.019	.256	.030	.286	
2010	16,070	.051	.049	.055	.075	.018	.007	.011	.019	.254	.029	.283	
2011	16,869	.051	.048	.053	.075	.018	.007	.011	.018	.252	.029	.281	
2012	17,690	.051	.048	.051	.075	.019	.007	.011	.018	.250	.028	.279	
2013	18,541	.051	.047	.050	.075	.019	.007	.011	.017	.248	.028	.276	
2014	19,424	.050	.047	.048	.074	.020	.007	.011	.017	.246	.028	.274	
2015	20,337	.050	.047	.047	.074	.020	.007	.011	.016	.245	.028	.272	
2016	21,285	.050	.046	.047	.073	.020	.007	.011	.016	.243	.027	.270	
2017	22,280	.050	.046	.046	.071	.021	.007	.012	.016	.241	.027	.268	
2018	23,319	.049	.046	.045	.070	.021	.007	.012	.016	.239	.028	.267	
2019	24,407	.049	.046	.045	.069	.021	.007	.012	.016	.237	.028	.265	
2020	25,539	.048	.045	.044	.068	.022	.007	.012	.015	.235	.028	.263	
2021	26,720	.048	.045	.044	.066	.022	.007	.012	.016	.233	.028	.261	
2022	27,952	.048	.045	.043	.065	.022	.008	.013	.016	.230	.028	.259	
2023	29,240	.047	.044	.043	.063	.023	.008	.013	.016	.228	.029	.257	
2024	30,589	.047	.044	.043	.061	.023	.008	.013	.016	.226	.029	.255	
2025	32,000	.046	.044	.043	.060	.023	.008	.013	.016	.224	.029	.253	
2026	33,478	.046	.043	.043	.058	.023	.008	.013	.017	.221	.030	.250	

¹ Age-specific information for these years not yet available.

Note: Totals do not necessarily equal the sums of rounded components. Historical GDP amounts subject to revision.

**E. THE SSI PROGRAM'S SHARE OF SSA'S ADMINISTRATIVE COSTS
AND BENEFICIARY SERVICES COSTS**

The SSI program is administered by the Social Security Administration. Section 201(g)(1) of the Social Security Act provides that administrative expenses for the SSI program, including Federal administration of State supplementation payments, may be financed from the OASDI Trust Funds. The trust funds are reimbursed from the General Fund of the Treasury for any such SSI administrative expenditures. These reimbursements include adjustments for any interest losses the trust funds may have incurred as a result of such expenditures. The legislative history of the 1972 amendments (which established this funding mechanism) indicates a desire to obtain economy of administration by giving SSA the responsibility for the SSI program because of its existing field office network and its administrative and automated data processing facilities. Because of the integration of the administration of the SSI and OASDI programs, it was desirable to fund them from a single source, with reimbursement to the trust funds based on a General Accounting Office-approved method of cost analysis of the respective expenses of the SSI and OASDI programs, and a final settlement by the end of the subsequent fiscal year required by law. Table IV.E1 provides historical data on selected administrative costs of the SSI program.

Table IV.E1.—Selected SSI Administrative Costs, Fiscal Years 1978-2002
[Outlays in millions]

Fiscal year	Payments to the trust funds ¹	Beneficiary services ²
1978.....	\$539	\$31.6
1979.....	611	57.0
1980.....	668	33.1
1981.....	717	37.3
1982.....	780	12.0
1983.....	846	8.0
1984.....	864	³ 84.0
1985.....	956	3.0
1986.....	1,023	7.2
1987.....	977	9.5
1988.....	976	12.9
1989.....	1,052	20.0
1990.....	1,075	28.3
1991.....	1,230	33.1
1992.....	1,426	36.0
1993.....	1,468	32.3
1994.....	1,780	33.8
1995.....	1,978	48.2
1996.....	1,953	71.8
1997.....	2,055	77.3
1998.....	2,304	46.0
1999.....	2,493	52.0
2000.....	2,321	53.7
2001.....	2,397	43.9
2002 (estimated).....	2,767	75.0

¹ This activity funds the reimbursement to the OASI and DI Trust Funds from the General Fund of the Treasury for the SSI program's share of SSA's administrative expenses.

² Includes payments to State Vocational Rehabilitation (VR) agencies for VR services and payments for referral and monitoring services for Drug Addicts and Alcoholics, which terminated effective January, 1997.

³ Reflects a one-time payment to State VR agencies for prior year expenses.

V. APPENDICES

A. HISTORY OF PROVISIONS

Act

1. Basic Eligibility Requirements

1972

*Public Law 92-603,
enacted October 30*

An individual may qualify for payments on the basis of age, blindness, or disability.

Aged: Any person aged 65 or older.

Blind: Any person with 20/200 or less vision in the better eye with the use of correcting lenses, or with tunnel vision of 20 degrees or less. An individual transferred from a State Aid to the Blind (AB) program is eligible if he/she received such State aid in December 1973 and continues to meet the October 1972 State definition of blindness.

Disabled: Any person unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment expected to result in death or that has lasted or can be expected to last for a continuous period of at least 12 months. For a child under age 18, eligibility is based on disability of severity comparable with that of an adult. An individual transferred from a State Aid to the Permanently and Totally Disabled (APTD) program to SSI is also eligible if he/she received such State aid in December 1973 and continues to meet the October 1972 State definition of disability.

1973

*Public Law 93-233,
enacted December 31*

Only persons who had received APTD before July 1973 and were on the rolls in December 1973 may receive SSI on the basis of the State definition of disability; those who became eligible for State aid from July to December 1973 must meet the Federal definition of disability.

1980

*Public Law 96-265,
enacted June 9*

A disabled recipient who loses Federal SSI eligibility because of earnings at the substantial gainful activity level may continue to receive a special benefit under section 1619 and retain eligibility for Medicaid under title XIX of the Social Security Act. This special benefit status may continue as long as the recipient has the disabling impairment and meets all nondisability SSI eligibility criteria. States have the option of supplementing this special benefit.

This provision of the law was in effect from January 1, 1981, through December 31, 1983. Beginning in January 1984, under a 1-year demonstration project, this provision was continued for persons already eligible for either regular SSI payments or special monthly benefits.

1984

*Public Law 98-460,
enacted October 9*

The special benefit and Medicaid provisions of the 1980 legislation were extended through June 30, 1987 (retroactive to January 1, 1984).

1986

*Public Law 99-643,
enacted November 10*

The special benefit and Medicaid provisions of the 1980 amendments are made permanent. The provisions were amended effective July 1, 1987, with significant modifications to simplify administration and to allow free movement between regular SSI disability payments and either the special cash benefit or Medicaid eligibility under section 1619. The distinction between a disabled person eligible for regular SSI payments and one eligible for 1619(a) is that the latter has several months with gross earnings above the SGA level. Previously, section 1619(a) status required completion of a trial work period and the determination that the work was SGA.

Act

1996

*Public Law 104-193,
enacted August 22*

For individuals under age 18, the “comparable severity” standard is eliminated and replaced with a requirement that a child be considered disabled if he/she has a medically determinable impairment that results in “marked and severe functional limitations,” and meets the existing statutory duration requirement. The law also eliminates references to “maladaptive behaviors” in the Listing of Impairments for children, and discontinues the use of individualized functional assessments for children.

SSI eligibility is prohibited for an individual in any month during which such an individual is a fugitive felon, fleeing prosecution, or violating State or Federal conditions of probation or parole. In addition, SSI eligibility is prohibited for 10 years for those convicted of fraudulently claiming residence to obtain benefits simultaneously in two or more States.¹

2. Other Eligibility Provisions

a. Citizenship and Residence

1972

*Public Law 92-603,
enacted October 30*

The individual must reside within one of the 50 States or the District of Columbia and be a citizen or an alien lawfully admitted for permanent residence or permanently residing in the United States under color of law. Persons living outside the United States for an entire calendar month lose their eligibility for such a month.

1976

*Public Law 94-241,
enacted March 24*

Eligibility for SSI is extended to residents of the Northern Mariana Islands, effective January 9, 1978.

1980

*Public Law 96-265,
enacted June 9*

The income and resources of the immigration sponsors of aliens applying for SSI are considered in determining eligibility for and the amount of payment. After allowances for the needs of the sponsor and his/her family, the remainder is deemed available for the support of the alien applicant for a 3-year period after admission to the United States for permanent residence. This provision does not apply to those who become blind or disabled after admission, to refugees, or to persons granted political asylum. (See section 2.g. for subsequent changes to sponsor-to-alien deeming provisions.)

1989

*Public Law 101-239,
enacted December 19*

SSI eligibility is continued for a disabled or blind child who was receiving SSI benefits while living in the United States and is now living with a parent who is a member of the U.S. Armed Forces assigned to permanent duty ashore outside the United States, but not where the parent is stationed in Puerto Rico or the territories and possessions of the United States.

1993

*Public Law 103-66,
enacted August 10*

Above provision made applicable where the parent is a member of the U.S. Armed Forces and stationed in Puerto Rico or the territories and possessions of the United States.

¹This last provision was repealed in 1999 by Public Law 106-169 and replaced with a provision providing for non-payment of benefits for up to 24 months for making false or misleading statements regarding material facts.

*Act***1996**

*Public Law 104-193,
enacted August 22*

Prohibits SSI eligibility for anyone who is not a U.S. citizen or national unless they are in a “qualified alien” category and meet one of certain exceptions such as lawful permanent residents who earn or can be credited with 40 qualifying quarters of earnings, certain refugee type categories eligible for up to 5 years of time limited eligibility, or active duty U.S. military or veterans and their spouses and children. Extends eligibility for aliens receiving SSI as of August 22, 1996 (the enactment date of the law) for 1 year after the enactment date for those aliens found ineligible under the new standards.

*Public Law 104-208,
enacted September 30*

Amends Public Law 104-193 to add to the list of “qualified aliens” certain non-citizens (and their children) who have been battered or subjected to extreme cruelty by a spouse or parent or a member of the spouse’s or parent’s family living in the same household.

1997

*Public Law 105-18,
enacted June 12*

Extends eligibility for aliens receiving SSI as of August 22, 1996, until September 30, 1997, for those found ineligible under the new alien standards of Public Law 104-193.

*Public Law 105-33,
enacted August 5*

Further amends Public Law 104-193 to add Cuban and Haitian entrants, and the child of a parent who has been battered or subjected to extreme cruelty, to the list of qualified aliens. Provides that Cuban and Haitian entrants and Amerasian immigrants qualify for time limited eligibility, and increases the time limit from 5 to 7 years for all time-limited categories. Additional exceptions are added for qualified aliens: (1) lawfully residing in the United States and receiving SSI benefits on August 22, 1996; and (2) lawfully residing in the United States on August 22, 1996 and meeting the definition of blind or disabled in the Social Security Act.

Certain noncitizen American Indians are excepted from the alien nonpayment provisions of Public Law 104-193.

Extends eligibility for “nonqualified aliens” receiving SSI as of August 22, 1996, until September 30, 1998.

1998

*Public Law 105-306,
enacted October 28*

Permanently extends eligibility of all remaining “nonqualified aliens” who were receiving SSI benefits when Public Law 104-193 was enacted on August 22, 1996.

2000

*Public Law 106-386,
enacted October 28*

Noncitizens, regardless of their immigration status, may be eligible for SSI to the same extent as refugees, if they are determined to be victims of “severe forms of trafficking in persons.”

b. Other Benefits**1980**

*Public Law 96-272,
enacted June 17*

SSI applicants and recipients are not required as a condition of eligibility to elect to receive Veterans Administration pensions under the Veterans and Survivors’ Pension Improvement Act of 1978 if the State of residence lacks a medically-needy program under title XIX.

Act

1972

*Public Law 92-603,
enacted October 30*

c. Drug Addiction and Alcoholism (DA&A)

Any disabled individual who has been medically determined to be an alcoholic or drug addict must accept appropriate treatment, if available, in an approved facility and demonstrate compliance with conditions and requirements for treatment.

SSI payments are required to be made through a representative payee—another person or public or private agency designated by SSA to manage the recipient’s benefit on his/her behalf.

1994

*Public Law 103-296,
enacted August 15*

Any individual who is receiving SSI based on a disability where drug addiction or alcoholism is a contributing factor material to the finding of disability must comply with the DA&A treatment requirements. The individual must accept appropriate treatment when it is available and comply with the conditions and terms of treatment. Instances of noncompliance with the requirements result in progressively longer payment suspensions. Before payments can resume, the individual must demonstrate compliance for specific periods; 2 months, 3 months, and 6 months, respectively, for the first, second, third and subsequent instances of noncompliance. An individual who is not in compliance with the DA&A treatment requirements for 12 consecutive months shall not be eligible for payments; however, this does not prevent such individuals from reapplying and again becoming eligible for payments.

SSI disability payments based on DA&A are also limited to a total of 36 benefit months (beginning March 1995) regardless of whether appropriate treatment is available. Months for which benefits are not due and received do not count towards the 36-month limit.

Payments based on DA&A must be made to a representative payee. Preference is required to be given to community based nonprofit social service agencies and Federal, State, or local government agencies in representative payee selection. These agencies when serving as payees for individuals receiving payments based on DA&A may retain the lesser of 10 percent of the monthly benefit or \$57 (indexed to the Consumer Price Index (CPI)) as compensation for their services.

Establishment of one or more referral and monitoring agencies for each State is required.

1996

*Public Law 104-121,
enacted March 29*

An individual is not considered disabled if DA&A is a contributing factor material to a finding of disability.

Applies DA&A representative payee requirements enacted under Public Law 103-296 to disabled SSI recipients who have a DA&A condition and are incapable of managing their benefits. In addition, these recipients shall be referred to the appropriate State agency administering the State plan for substance abuse treatment.

d. Institutionalization

1972

*Public Law 92-603,
enacted October 30*

An individual who is an inmate of a public institution is ineligible for SSI payments unless the institution is a facility approved for Medicaid payments and is receiving such payments on behalf of the person. Under *regulations*, the Medicaid payment must represent more than 50 percent of the cost of services provided by the facility to the individual.

Act

1976

*Public Law 94-566,
enacted October 20*

An inmate of a publicly operated community residence serving no more than 16 persons may, if otherwise eligible, receive SSI.

1983

*Public Law 98-21,
enacted April 20*

Payments may be made to persons who are residents of public emergency shelters for the homeless for a period of up to 3 months in any 12-month period.

1986

*Public Law 99-643,
enacted November 10*

Effective July 1, 1987, disabled or blind recipients who were receiving special SSI payments or had special SSI recipient status under section 1619 in the month preceding the first full month of institutionalization, may receive payments based on the full Federal benefit rate for the initial 2 full months of institutionalization, if they reside in certain public medical, psychiatric or Medicaid facilities, or in private Medicaid facilities.

1987

*Public Law 100-203,
enacted December 22*

Effective January 1, 1988, payments may be made to persons who are residents of public emergency shelters for the homeless, for up to 6 months in a 9-month period.

Effective July 1, 1988, continued payment of SSI benefits for up to 3 months is permitted, at the rate that was applicable in the month prior to the first full month of institutionalization, for individuals whose expected institutional stay on admission is not likely to exceed 3 months, as certified by a physician, and for whom the receipt of benefits is necessary to maintain living arrangements to which they may return.

1996

*Public Law 104-193,
enacted August 22*

Effective December 1996, institutionalized children under age 18 whose private health insurance is making payments to the institution may receive no more than \$30 per month in Federal SSI.

e. Vocational Rehabilitation and Treatment

1972

*Public Law 92-603,
enacted October 30*

Blind or disabled individuals receiving Federal SSI benefits who are under age 65, must be referred to the State agency providing services under the Vocational Rehabilitation Act and must accept the services offered. States are reimbursed for the cost of services.

1976

*Public Law 94-566,
enacted October 20*

Blind or disabled children under age 16 must be referred to the State agency administering crippled children's services or to another agency designated by the State. States are reimbursed for the cost of services.

Of funds provided for these services, at least 90 percent must be used for children under age 6 or for those who have never attended public schools.

1980

*Public Law 96-265,
enacted June 9*

Disabled SSI recipients who medically recover while enrolled in approved vocational rehabilitation programs of State VR agencies, may continue to receive benefits during their participation in such programs if the Commissioner of Social Security determines that continuation in the program will increase the probability that they leave the rolls permanently.

Act

1981

*Public Law 97-35,
enacted August 13*

Funding no longer provided under title XVI for medical, social, developmental and rehabilitative services to disabled or blind children.

Reimbursement for the cost of rehabilitation services will be made if the services result in the recipient's return to work.

1984

*Public Law 98-460,
enacted October 9*

Authorizes the reimbursement of States for the cost of VR services provided to individuals who (1) continue to receive benefits after medical recovery because they are participating in a State VR program or (2) refuse, without good cause, to continue in or cooperate with the VR program in which they had been participating.

1987

*Public Law 100-203,
enacted December 22*

Provision for continuation of payments to SSI recipients who have medically recovered while enrolled in an approved vocational rehabilitation program extended to blind SSI recipients.

1990

*Public Law 101-508,
enacted November 5*

Reimbursement authorized for the cost of vocational rehabilitation services provided in months in which the individual was not receiving Federal SSI payments, if:

- SSI recipient status for Medicaid eligibility purposes was retained under work incentive provisions, or
- Benefits were in suspense¹ status (for a reason other than cessation of disability or blindness), or
- Federally-administered State supplementation was received.

Extends the provision providing for benefit continuation to SSI recipients who medically recover while participating in a State VR program to include SSI recipients participating in a non-State VR program.

1999

*Public Law 106-170,
enacted December 17*

Establishes a Ticket to Work and Self-Sufficiency program which will provide SSI (and OASDI) disability beneficiaries with a ticket that can be used to obtain vocational rehabilitation services, employment services, or other support services, from an employment network of their choice.

f. Continuing Disability Reviews and Eligibility Redeterminations

1994

*Public Law 103-296,
enacted August 15*

During each of fiscal years 1996, 1997, and 1998, requires SSA to conduct continuing disability reviews (CDRs) on a minimum of 100,000 SSI recipients. In addition, during the same period, requires SSA to redetermine the SSI eligibility of at least one-third of all childhood SSI recipients who reach age 18 after April 1995 during the 1-year period following attainment of age 18. Redeterminations for persons turning age 18 could count toward the 100,000 CDR requirement.

¹ Recipients who have lost eligibility for SSI benefits for fewer than 13 consecutive months are in suspended payment status.

Act

1996

*Public Law 104-193,
enacted August 22*

Repeals the requirement that SSA redetermine the eligibility of at least one-third of all childhood SSI recipients who reach age 18 after April 1995 during the 1-year period following attainment of age 18.

Requires a CDR:

- At least once every 3 years for SSI recipients under age 18 who are eligible by reason of an impairment which is likely to improve, and
- Not later than 12 months after birth for recipients whose low birth weight is a contributing factor material to the determination of their disability.

Requires eligibility redetermination for all childhood SSI recipients eligible for the month before the month in which they attain age 18.

Requires redetermination of eligibility for children considered disabled based on an individual functional assessment and/or consideration of maladaptive behavior.

Requires the representative payee of a childhood disability recipient whose continuing eligibility is being reviewed to present evidence that the recipient is receiving treatment which is considered medically necessary and available for the condition which was the basis for providing SSI benefits.

1997

*Public Law 105-33,
enacted August 5*

Modifies provision of Public Law 104-193 to extend from 12 to 18 months the period for redetermining the disability of children under age 18 under the new childhood disability standard.

Modifies provision of Public Law 104-193 to permit SSA to schedule a CDR for a disabled child for whom low birth weight is a contributing factor material to the determination of disability, at a date after the child's first birthday if the Commissioner determines the impairment is not expected to improve within 12 months of the child's birth.

Modifies provision of Public Law 104-193 to provide SSA the authority to make redeterminations of disabled childhood recipients who attain age 18, more than 1 year after the date such recipient attains age 18.

1999

*Public Law 106-170,
enacted December 17*

Prohibits the initiation of a CDR during the period that a recipient is "using a ticket" under the Ticket to Work program.

g. Deeming of Income and Resources

1972

*Public Law 92-603,
enacted October 30*

Deeming occurs when the income and resources of certain family members living in the same household with the SSI recipient are considered in determining the amount of the SSI payment. These family members are the ineligible spouse of an adult recipient and the ineligible parents of a child recipient under age 21.

After deduction of personal allocations for the spouse (or parents) and for ineligible children in the home, and after application of income exclusions, any remaining income of the spouse (or parents) is added to the income of the eligible person.

1980

*Public Law 96-265,
enacted June 9*

Children aged 18 or older are not subject to parental deeming.

Sponsor's income and resources deemed to an alien for 3 years.

Act

1989

*Public Law 101-239,
enacted December 19*

Disabled children receiving home care services under State Medicaid programs, who are ineligible for SSI because of deeming of parental income, and who received SSI benefits limited to \$30 while in a medical treatment facility, may receive the \$30 monthly allowance that would be payable if the recipient were institutionalized.

1993

*Public Law 103-152,
enacted November 24*

Sponsor-to-alien deeming period extended from 3 years to 5 years, effective January 1, 1994, through September 30, 1996.

Considers an ineligible spouse or parent who is absent from the household due to active military service to be a member of the household for deeming purposes.

1996

*Public Law 104-193,
enacted August 22*

Deeming of income and resources from an immigration sponsor to a noncitizen continues until citizenship, with exceptions for those who earn, or can be credited with, 40 qualifying quarters of earnings. Effective for those whose sponsor signs a new legally enforceable affidavit of support.

*Public Law 104-208,
enacted September 30*

Amends Public Law 104-193 to add two exceptions to the sponsor-to-alien deeming:

- Provides that if the noncitizen is indigent and would be unable to obtain food and shelter without SSI benefits even after receiving support from the sponsor, then only the amount of income and resources actually provided by the sponsor will be counted for a 12-month period after a determination of indigence; and
- Provides that in certain cases, deeming would not apply for a 12-month period (with some options for extension) if the noncitizen (or his/her children) has been battered, or subjected to extreme cruelty by family members.

1997

*Public Law 105-33,
enacted August 5*

Amends Public Law 104-208 to add an additional exception to sponsor-to-alien deeming when the parent of a noncitizen has been battered or subjected to extreme cruelty by family members.

3. Federal Benefit Payments

a. Windfall Offset

1980

*Public Law 96-265,
enacted June 9*

Offset (by reduction of retroactive Social Security benefits) to prevent persons whose initial OASDI payment is retroactive from receiving more in total benefits for the same period than if they were paid the benefits when regularly due.

1984

*Public Law 98-617,
enacted November 8*

Offset provision expanded to allow for reduction of retroactive SSI benefits and to apply in cases of OASDI benefit reinstatement.

b. Proration of Benefit

1982

*Public Law 97-248,
enacted September 3*

Benefit for first month of eligibility to be prorated by the number of days in the month for which an application has been filed and there is eligibility.

Act

1996

*Public Law 104-193,
enacted August 22*

Changes the effective date of an SSI application to the first day of the month following the date on which the application was filed or on which the individual first becomes eligible, whichever is later. This, in effect, eliminates prorated payments in initial claims.

c. Retrospective Monthly Accounting

1981

*Public Law 97-35,
enacted August 13*

Changes the method of computing the SSI benefit to one under which the benefit amount is computed on a monthly basis and is based on income and other characteristics in the previous (or second previous) month.

1984

*Public Law 98-369,
enacted July 18*

Changes the method of computing the SSI benefit to persons receiving title II payments. The effect of the increased title II income at the time of the cost-of-living increase is not delayed as it otherwise would be.

1987

*Public Law 100-203,
enacted December 22*

Provides an exception to retrospective monthly accounting so that amounts received under Aid to Families With Dependent Children (AFDC), foster care, refugee cash assistance, Cuban-Haitian entrant assistance, or general and child welfare assistance provided by the Bureau of Indian Affairs are counted only in the month received.

1993

*Public Law 103-66,
enacted August 10*

Changes the method of computing the SSI benefit to persons receiving the value of the one-third reduction. The effect of the increased value at the time of the cost-of-living increase is not delayed as it otherwise would be. Effective January 1995.

d. Uncashed Checks

1981

*Public Law 97-35,
enacted August 13*

States that have Federally-administered supplements to be credited their share of SSI checks that remain unnegotiated for 180 days.

1987

*Public Law 100-86,
enacted August 10*

SSI checks now unnegotiable after 1 year. States are credited their share of SSI checks after 1 year rather than 180 days.

e. Rounding of Payment Amounts

1982

*Public Law 97-248,
enacted September 3*

Cost-of-living adjustments in the Federal SSI benefit and income eligibility levels are to be rounded to the next lower whole dollar, after the adjustment is calculated. Subsequent cost-of-living adjustments will be calculated on the previous year's benefit standard before rounding.

f. Penalties Resulting in Nonpayment of Benefits for False or Misleading Statements

1999

*Public Law 106-169,
enacted December 14*

Provides for the nonpayment of OASDI and SSI benefits (6, 12 and 24 months, respectively, for the first, second, and third or subsequent violations) for individuals found to have made a statement or representation of material fact for use in determining eligibility for benefits that the individual knew, or should have known, was false or misleading or omitted a material fact.

4. Federal Benefit Rates

Basic benefit standards are used in computing the amount of Federal SSI payments. Benefit levels differ for individuals and couples living in households and for persons in Medicaid institutions. Individuals or couples living in their own households receive the full Federal benefit. If an individual or couple is living in another person's household and receiving support and maintenance there, the Federal benefit is reduced by one-third. The Federal benefit rates for persons in households are increased annually to reflect increases in the cost of living. Legislation affecting the level of Federal benefit rates since the inception of the SSI program are summarized in table V.A1.

Table V.A1.—Federal Benefit Rates Set by Legislation

Act	Living arrangements ¹	Amount ²		Conditions
		Individual	Couple	
1972 ³	Own household ⁴	\$130.00	\$195.00	Was to be effective January 1, 1974; superseded by Public Law 93-233.
1973 ⁵	—	140.00	210.00	Was to be effective January 1, 1974; superseded by Public Law 93-233.
1973 ⁶	—	140.00	210.00	Effective January 1, 1974.
1973 ⁶	—	146.00	219.00	Effective July 1, 1974.
1974 ⁷	—	—	—	Mechanism established for providing cost-of-living adjustments coordinated with earlier legislation applying to OASDI cash benefits. SSI payments to be increased by the same percentage as OASDI benefits and at the same time.
	—	⁸ 157.70	⁸ 236.60	Effective July 1, 1975.
1983 ⁹	—	304.30	456.40	Effective July 1, 1983 (general benefit increase).
	—	⁸ 314.00	⁸ 472.00	Effective January 1, 1984.
1973 ⁵	Increment for "essential person" in household	65.00	—	Was to be effective January 1, 1974. For persons transferred from OAA, AB, or APTD programs who were receiving payments in December 1973 under a State plan that took account of "essential persons" in the household.
	—	70.00	—	Was to be effective July 1, 1974.
1973 ⁶	—	70.00	—	Effective January 1, 1974.
	—	73.00	—	Effective July 1, 1974.
1974 ⁷	—	—	—	Mechanism established for providing cost-of-living adjustments.
	—	⁸ 78.90	—	Effective July 1, 1975.
1983 ⁹	—	152.50	—	Effective July 1, 1983 (general benefit increase).
	—	⁸ 157.00	—	Effective January 1, 1984.
1972 ³	Receiving institutional care covered by Medicaid	25.00	50.00	Effective January 1, 1974. Must be receiving more than 50 percent of the cost of the care from Medicaid (title XIX of the Social Security Act).
1987 ¹⁰	—	30.00	60.00	Effective July 1, 1988. Must be receiving more than 50 percent of the cost of the care from Medicaid (title XIX of the Social Security Act).

¹ For those in another person's household receiving support and maintenance there, the Federal benefit rate is reduced by one-third.

² For those without countable income. These payments are reduced by the amount of countable income of the individual or couple.

³ Public Law 92-603, enacted October 30, 1972.

⁴ Includes persons in private institutions whose care is not provided by Medicaid.

⁵ Public Law 93-66, enacted July 9, 1973.

⁶ Public Law 93-233, enacted December 31, 1973.

⁷ Public Law 93-368, enacted August 7, 1974.

⁸ Subject to automatic provisions, see table IV.A2.

⁹ Public Law 98-21, enacted April 20, 1983.

¹⁰ Public Law 100-203, enacted December 22, 1987.

Act

5. Exclusions from Income**a. General Exclusions****1972**

*Public Law 92-603,
enacted October 30*

The first \$60 of earned or unearned income per calendar quarter for an individual or couple; the next \$195 and one-half the remainder of quarterly earned income. Unearned income includes Social Security benefits, other government or private pensions, veterans' benefits, and workers' compensation.

1981

*Public Law 97-35,
enacted August 13*

The first \$20 of earned or unearned income per month for an individual or couple; the next \$65 and one-half the remainder of monthly earned income. Unearned income includes Social Security benefits, other government or private pensions, veterans' benefits, and workers' compensation.

2000

*Public Law 106-554,
enacted December 21*

Earnings of persons defined as Social Security statutory employees are treated as self-employment income for SSI purposes.

b. Special Exclusions**1972**

*Public Law 92-603,
enacted October 30*

Any amount of tax rebate issued to an individual by any public agency that is based on either real property or food purchase taxes.

Grants, scholarships, and fellowships used to pay tuition and fees at an educational institution.

Income required for achieving an approved self-support plan for blind or disabled persons.

Work expenses of blind persons.

For blind persons transferred from State programs to SSI, income exclusions equal to the maximum amount permitted as of October 1972 under the State programs.

Irregularly or infrequently received income totaling \$60 or less of unearned income and \$30 of earned income in a calendar quarter.

Payment for foster care of ineligible child residing in recipient's home through placement by a public or private nonprofit child care agency.

One-third of any payment received from an absent parent for the support of a child eligible for SSI.

Certain earnings of a blind or disabled child under age 22 regularly attending an educational institution.

State or local government cash payments based on need and designed to supplement SSI payments.

1976

*Public Law 94-331,
enacted June 30*

Disaster assistance from income for 9 months and application of one-third reduction for 6 months for certain victims of disasters occurring between January 1, 1976 and December 31, 1976.

*Public Law 94-566,
enacted October 20*

Any assistance based on need (including vendor payments) made to or on behalf of SSI recipients, which is paid and wholly funded by State or local governments.

The value of assistance provided under certain Federal housing programs.

Act

1977

*Public Law 95-113,
enacted September 29*

Food stamps, Federally donated food, and the value of free or reduced price food for women and children under the Child Nutrition Act and National School Lunch Act.

*Public Law 95-171,
enacted November 12*

Provisions for exclusions for support and maintenance under the Disaster Relief and Emergency Assistance Act of 1974 extended on a permanent basis. Effective January 1, 1978.

1980

*Public Law 96-222,
enacted April 1*

Earned income tax credit treated as earned income (temporarily excluded from 1975 through 1980).

*Public Law 96-265,
enacted June 9*

Remunerations received in sheltered workshops and work activity centers are considered earned income and qualify for earned income exclusions.

Impairment-related work expenses paid by the individual (including cost for attendant care, medical equipment, drugs, and services necessary to control an impairment) are deducted from earnings when determining if an individual is engaging in substantial gainful activity. Impairment-related work expenses are excluded in calculating income for benefit purposes if initial eligibility for benefits exists on the basis of countable income without applying this exclusion.

1981

*Public Law 97-35,
enacted August 13*

Modifies provision under which irregularly or infrequently received income is excluded to conform to change from quarterly to monthly accounting; amounts excludable: \$20 or less of unearned income and \$10 of earned income in a month.

1982

*Public Law 97-377,
enacted December 21*

From December 18, 1982, to September 30, 1983, certain home energy assistance payments are excluded if a State agency certified that they are based on need.

1983

*Public Law 97-424,
enacted January 6*

Support or maintenance assistance (including home energy assistance) provided in kind by a nonprofit organization or in cash or in kind by certain providers of home energy is excluded if the State determines that the assistance is based on need. Provision is applicable through September 1984.

Certain home energy assistance payments are excluded if a State agency certified that the assistance is based on need. Provision is applicable through June 1985.

1984

*Public Law 98-369,
enacted July 18*

The 1983 provisions for support and maintenance and home energy assistance continue to October 1, 1987.

1986

*Public Law 99-498,
enacted October 17*

Educational assistance used for educational expenses under the Higher Education Act of 1965 as amended.

1987

*Public Law 100-203,
enacted December 22*

The 1983 provisions for support and maintenance and home energy assistance made permanent.

Death payments (for example, proceeds from life insurance) from SSI income determinations to the extent they were spent on last illness and burial.

Modifies the 1982 resource exclusion for burial funds to extend the exclusion to any burial fund of \$1,500 or less maintained separately from all other assets, thereby allowing the interest on the funds to be excluded from income if retained in the fund.

Act

1988

*Public Law 100-383,
enacted August 10*

Restitution payments made to Japanese internees and relocated Aleutians.

1989

*Public Law 101-239,
enacted December 19*

Interest on agreements representing the purchase of an excluded burial space.

Payments from the Agent Orange Settlement.

Value of a ticket for domestic travel received as a gift and not cashed.

1990

*Public Law 101-508,
enacted November 5*

Earned income tax credit (including the child health insurance portion).

Payments received from a State-administered fund established to aid victims of crime.

Impairment-related work expenses excluded from income in determining initial eligibility for benefits.

Payments received as State or local government relocation assistance.

Payments received under the Radiation Exposure Compensation Act.

Redefines as earned income, royalties earned in connection with any publication of the individual's work, and honoraria received for services rendered (previously defined as unearned income).

1993

*Public Law 103-66,
enacted August 10*

Hostile fire pay to members of the uniformed services.

Payments received as State or local government relocation assistance made permanent.

1994

*Public Law 103-286,
enacted August 1*

Payments to victims of Nazi persecution.

1998

*Public Law 105-285,
enacted October 27*

Funds made available to an SSI recipient by a State or local government or a nonprofit organization as part of the Individual Development Account demonstration project.

*Public Law 105-306,
enacted October 28*

In-kind gifts to children with life-threatening conditions by tax-exempt organizations not converted to cash.

The first \$2,000 annually of cash gifts by tax-exempt organizations to, or for the benefit of, individuals under age 18 with life-threatening conditions.

*Public Law 105-369,
enacted November 12*

Payments made under the Ricky Ray Hemophilia Relief Fund Act of 1998.

2000

*Public Law 106-554,
enacted December 21*

Interest on funds deposited in an Individual Development Account.

Any adjustments made to prior payments from other Federal programs to account for the error in the computation of the Consumer Price Index during 1999.

2001

*Public Law 107-16,
enacted June 7*

The refundable child tax credit is excluded in determining eligibility for means-tested programs, including SSI.

Act

1972

Public Law 92-603,
enacted October 30

1984

Public Law 98-369,
enacted July 18

1999

Public Law 106-169,
enacted December 14

1972

Public Law 92-603,
enacted October 30

1976

Public Law 94-569,
enacted October 20

1977

Public Law 95-171,
enacted November 12

1979

1982

Public Law 97-248,
enacted September 3

1984

Public Law 98-369,
enacted July 18

1985

6. Resources

Countable resources limited to \$1,500 or less for an individual and to \$2,250 or less for a couple.

Limit on countable resources raised by \$100 a year for individuals and \$150 a year for couples, beginning in calendar year 1985 through 1989. The respective limits would become \$2,000 for an individual and \$3,000 for a couple in 1989 and thereafter.

Includes generally in the countable resources of an individual the assets of a trust which could be used for the benefit of the individual or spouse.

a. General Exclusions

A home of reasonable value—established *by regulation* as not exceeding a fair-market value of \$25,000 (\$35,000 in Alaska and Hawaii).

Personal effects and household goods of reasonable value established *by regulation* as not exceeding a total market value of \$1,500.

An automobile of reasonable value—established *by regulation* as not exceeding a market value of \$1,200.

An automobile may be excluded, regardless of value, if the individual's household uses it for employment or medical treatment, or if it is modified to be operated by or for transportation of a handicapped person.

Life insurance with face value of \$1,500 or less.

The recipient's home, regardless of value, is excluded from consideration in determining resources.

Assistance received under the Disaster Relief and Emergency Assistance Act of 1974 for 9 months following receipt.

Reasonable value for an automobile increased *by regulation* to \$4,500 of current-market value; personal goods and household effects increased to \$2,000 of equity value.

The value, within prescribed limits, of a burial space for the recipient, spouse, and immediate family is excluded. In addition, \$1,500 each (less the value of already excluded life insurance and any amount in an irrevocable burial arrangement) may be set aside for the burial of the recipient and spouse, if held in separately identifiable burial funds and if inclusion of any of the burial funds in countable resources would cause the resource limit to be exceeded.

The unspent portion of any retroactive title II or title XVI payment is excluded for 6 months following its receipt, and the individual must be given written notice of the time limit on the exclusion.

Regulations permit exclusion, regardless of value, of an automobile needed for essential transportation or modified for a handicapped person. The \$4,500 current market value limit applies only if no automobile could be excluded based on the nature of its use.

Act

1987

*Public Law 100-203,
enacted December 22*

Provides for suspension of the 1980 transfer of assets provision, in any month that it is determined that undue hardship would result.

Real property that cannot be sold for the following reasons: it is jointly owned; its sale would cause the other owner(s) undue hardship due to loss of housing; its sale is barred by a legal impediment; or, the owner's reasonable efforts to sell have been unsuccessful.

Temporarily extends the 1984 exclusion of retroactive title II and title XVI benefits from 6 months to 9 months (the longer exclusion applies to benefits paid in fiscal years 1988 and 1989).

Allows the exclusion of burial funds, as described above, regardless of whether or not counting any portion of those funds would result in excess resources.

1988

*Public Law 100-707,
enacted November 23*

Removes the time limit for exclusion of disaster assistance.

b. Special Exclusions**1972**

*Public Law 92-603,
enacted October 30*

Assets of a blind or disabled individual that are necessary to an approved plan of self-support.

Tools and other property essential to self-support (PESS), within reasonable limits. Shares of nonnegotiable stock in regional or village corporations held by natives of Alaska.

For persons transferred from State programs to SSI, resource exclusions equal to the maximum amount permitted as of October 1972 under the State program.

1988

*Public Law 100-383,
enacted August 10*

Restitution payments made to Japanese internees and relocated Aleutians.

1989

*Public Law 101-239,
enacted December 19*

Specifies that no limitation can be placed on property essential to self-support used in a trade or business, or by an individual as an employee (including the tools of a tradesperson and the machinery and livestock of a farmer).

Payments from the Agent Orange Settlement.

1990

*Public Law 101-508,
enacted November 5*

Earned income tax credit excluded for the month following the month the credit is received.

Payments received from a State-administered fund established to aid victims of crime excluded for a 9-month period. Individual not required to file for such benefits.

Payments received as State or local government relocation assistance excluded for a 9-month period. (The provision expired 3 years after its effective date.)

Payments received under the Radiation Exposure Compensation Act.

1993

*Public Law 103-66,
enacted August 10*

Makes permanent the 9-month exclusion of payments received as State or local government relocation assistance.

Act

1994

*Public Law 103-286,
enacted August 1*

Payments to victims of Nazi persecution.

1996

*Public Law 104-193,
enacted August 22*

Dedicated financial institution accounts required to be established for large past-due benefits for disabled individuals under age 18 with a representative payee.

1998

*Public Law 105-285,
enacted October 27*

Funds made available to an SSI recipient by a State or local government or a nonprofit organization as part of the Individual Development Account demonstration project.

*Public Law 105-306,
enacted October 28*

In-kind gifts to children with life-threatening conditions by tax-exempt organizations not converted to cash.

The first \$2,000 annually of cash gifts by tax-exempt organizations to, or for the benefit of, individuals under age 18 with life-threatening conditions.

*Public Law 105-369,
enacted November 12*

Payments made under the Ricky Ray Hemophilia Relief Fund Act of 1998.

2000

*Public Law 106-554,
enacted December 21*

Funds deposited by an individual in an Individual Development Account and the interest on those funds.

2001

*Public Law 107-16,
enacted June 7*

The refundable child tax credit in the month of receipt and in the following month.

c. Transfer-of-Assets Penalties

1980

*Public Law 96-611,
enacted December 28*

Assets transferred for less than fair market value for the purpose of establishing eligibility for benefits under the Social Security Act are counted as resources for 24 months after transfer.

1988

*Public Law 100-360,
enacted July 1*

Removes the transfer-of-assets penalty for transfers made July 1, 1988, or later.

1999

*Public Law 106-169,
enacted December 14*

Provides a penalty under the SSI program for the disposal of resources at less than fair market value. The penalty is a loss of benefits for up to 36 months. A formula is provided to determine the number of months.

7. Presumptive and Emergency Payments and Interim Assistance Reimbursement

a. Presumptive Payments

1972

*Public Law 92-603,
enacted October 30*

A person applying on the basis of disability who meets all other criteria of eligibility, and is likely to be disabled, may receive payments for 3 months pending the disability determination.

1976

*Public Law 94-569,
enacted October 20*

Presumptive payment provision was extended to persons applying on the basis of blindness.

Act

1990

*Public Law 101-508,
enacted November 5*

Extends the period for receipt of payments to 6 months.

b. Emergency Advance Payments

1972

*Public Law 92-603,
enacted October 30*

Any applicant who can be presumed to meet the criteria of eligibility, but has not yet been determined eligible, and who is faced with a financial emergency may receive an immediate cash advance of up to \$100.

1987

*Public Law 100-203,
enacted December 22*

Increases the maximum emergency advance payment amount to the maximum amount of the regular Federal SSI monthly benefit rate, plus, if any, the Federally-administered State supplementary payment.

1996

*Public Law 104-193,
enacted August 22*

Applicants who have a financial emergency may receive an emergency advance payment in the month of application, which, effective with this law, is always prior to the first month of eligibility. These advance payments are recouped by proportional reductions in the recipient's first 6 months of SSI benefits.

c. Interim Assistance Reimbursement

1974

*Public Law 93-368,
enacted August 7*

SSA may enter into agreements with the States to repay them directly for assistance payments made to an SSI applicant while his/her claim is being adjudicated. The repayment is made from the first check due to the individual. This legislation expires June 30, 1976.

1976

*Public Law 94-365,
enacted July 14*

The authority to repay the State for interim assistance is made permanent.

1987

*Public Law 100-203,
enacted December 22*

Extends interim assistance reimbursement to situations in which payments are made by States or political subdivisions to persons whose SSI payments were suspended or terminated and who subsequently are found to be eligible for such benefits. Also clarifies that the payment from which the interim assistance reimbursement is paid must be the first payment of benefits relating to the interim period.

8. Medicaid Eligibility

1972

*Public Law 92-603,
enacted October 30*

States can provide Medicaid coverage to all recipients of SSI payments. Alternatively, they can limit coverage by applying more restrictive criteria from the State Medicaid plan in effect on January 1, 1972.

States can accept SSA determination of eligibility, or make their own determination.

1976

*Public Law 94-566,
enacted October 20*

Preserves the Medicaid eligibility of recipients who become ineligible for cash SSI payments due to the cost-of-living increases in Social Security benefits.

Act

1980

*Public Law 96-265,
enacted June 9*

Blind or disabled recipients under age 65 no longer eligible for either regular or special SSI payments because of their earnings may retain SSI recipient status for Medicaid eligibility purposes under the following conditions: (1) they continue to have the disabling impairment, (2) they meet all nondisability eligibility criteria except for earned income, (3) they would be seriously inhibited from continuing employment without Medicaid services, and (4) their earnings are insufficient to provide a reasonable equivalent of SSI payments and Medicaid.

In States that do not provide Medicaid coverage categorically to all SSI recipients, qualification for Medicaid benefits depends on the State's specific eligibility and program requirements.

The Medicaid provision of the 1980 legislation was in effect from January 1, 1981, through December 31, 1983. Under a 1-year demonstration project, beginning January 1, 1984, this provision was continued for persons already eligible for regular or special SSI payments or for retention of Medicaid eligibility.

1984

*Public Law 98-460,
enacted October 9*

Medicaid provision of 1980 legislation extended through June 30, 1987 (retroactive to January 1, 1984).

1986

*Public Law 99-272,
enacted April 7*

Restores Medicaid eligibility for some disabled widow(er)s who became ineligible for SSI when their title II benefits increased in 1984 because of a change in the Social Security disabled widow(er)s benefits reduction factor.

*Public Law 99-643,
enacted November 10*

The SSI recipient status for Medicaid eligibility provision of the 1980 amendments is made permanent.

Effective July 1, 1987, certain expenses are excluded from earnings when determining sufficiency of earnings to establish SSI recipient status eligibility for Medicaid purposes:

- Impairment-related work expenses of disabled persons,
- Work expenses of blind persons,
- Income required for achieving an approved self-support plan, and
- The value of publicly funded attendant care services.

Effective July 1, 1987, preserves the Medicaid eligibility of recipients who become ineligible for SSI payments because of entitlement to, or an increase in, Social Security disabled adult child benefits on or after the effective date.

Effective July 1, 1987, requires all States to provide Medicaid coverage for recipients in special SSI status (either receiving special SSI payments or in the special recipient status described for 1980) if they received Medicaid coverage the month before special SSI status.

1987

*Public Law 100-203,
enacted December 22*

Effective July 1, 1988, restores or preserves the Medicaid eligibility of persons aged 60 or older who are eligible for Social Security benefits as widows or widowers (but not eligible for Medicare) and who become ineligible for SSI payments or State supplementation because of the receipt of old-age or survivors insurance benefits under Social Security.

Act

1990

*Public Law 101-508,
enacted November 5*

Age limit for retention of SSI recipient status for Medicaid eligibility purposes (1980 and subsequent work incentive provisions, above) is eliminated.

Preserves the Medicaid eligibility of SSI recipients who become ineligible for payments when they become entitled to Social Security disabled widow(er)s benefits following the revised definition used for their disability.

1997

*Public Law 105-33,
enacted August 5*

Requires States to continue Medicaid coverage for disabled children who were receiving SSI payments as of August 22, 1996 and would have continued to be eligible for such payments except that their eligibility terminated because they did not meet the revised SSI childhood disability standard established under Public Law 104-193.

9. State Supplementation

1972

*Public Law 92-603,
enacted October 30*

States are given the option of providing supplementary payments both to recipients transferred from the State program and to those newly eligible for SSI.

States may either administer the payments themselves or have the Social Security Administration make payments on their behalf. When State supplementary payments are Federally-administered, the Social Security Administration makes eligibility and payment determinations for the State and assumes administrative costs.

“Hold harmless” protection, which limits a State’s fiscal liability to its share of OAA, AB, and APTD expenditures for calendar year 1972, is provided to States electing Federal administration of their supplementary plans. This provision applies only to supplementary payments that do not, on the average, exceed a State’s “adjusted payment level.” (The adjusted payment level is the average of the payments that individuals with no other income received in January 1972; it may include the bonus value of food stamps. Adjustments are provided for payments that had been below State standards.)

1973

*Public Law 93-66,
enacted July 9*

Provision is made for mandatory State supplementation as assurance against reduction of income for persons who received State assistance in December 1973 and were transferred to SSI. These supplementary payments must equal the difference between (1) the amount of the State assistance payment that the individual received in December 1973 plus other income and (2) his/her Federal SSI payment plus other income.

1976

*Public Law 94-585,
enacted October 21*

After June 30, 1977, when the Federal SSI payment level is increased by a cost-of-living increase, such an increase will be excluded in calculating the “hold harmless” amount.

Requires States to maintain State supplementation payments at the level of December 1976 (“maintenance of payments”) or to continue to pay in supplements the same total annual amounts (“maintenance of expenditures”) when the Federal SSI payment level is increased and thereby pass through any increases in Federal benefits without reducing State supplements.

1982

*Public Law 97-248,
enacted September 3*

Begins a 3-year phase out of “hold harmless” protection. Effective with fiscal year 1985, Wisconsin and Hawaii (the only remaining “hold harmless” States) assumed the full cost of their supplementary payments.

Act

1983

*Public Law 98-21,
enacted April 20*

Federal pass-through law is adjusted (1) by substituting the State supplementary payment levels in effect in March 1983 for those in effect in December 1976 as the levels that States must maintain in complying with the pass-through requirements, and (2) with regard to the \$20 (individual) and \$30 (couple) increase in the Federal SSI standard in July 1983, by requiring States to pass through only as much as would have been required if the SSI cost-of-living adjustment had been made in July 1983.

1987

*Public Law 100-203,
enacted December 22*

Provides for Federal administration of State supplements to residents of medical institutions.

Provides for required pass through of \$5 increase in Federal rate for persons whose care in institutions is paid in substantial part by Medicaid.

1993

*Public Law 103-66,
enacted August 10*

Requires States to pay fees for Federal administration of their State supplementation payments. The fees are \$1.67 for each monthly supplementary payment in fiscal year 1994, \$3.33 in fiscal year 1995, and \$5.00 in fiscal year 1996. Fees for subsequent fiscal years will be \$5.00 or another amount determined by the Commissioner to be appropriate. The Commissioner may charge the States additional fees for services they request that are beyond the level customarily provided in administering State supplementary payments.

1997

*Public Law 105-33,
enacted August 5*

Revises the schedule of per-payment fees for Federal administration of State supplementation for fiscal years 1998 (\$6.20) through 2002 (\$8.50) and provides a formula for determining the fee beyond fiscal year 2002.

1999

*Public Law 106-170,
enacted December 17*

A State which has an agreement with SSA to administer its supplementation payments, must remit both payments and fees prior to the SSI payment date.

2000

*Public Law 106-554,
enacted December 21*

Changes the effective date of above provision from 2009 to 2001.

10. Overpayment Recovery

1984

*Public Law 98-369,
enacted July 18*

Limits the rate of recovering overpayments from monthly payments to the lesser of: (1) the monthly payment, or (2) 10 percent of a recipient's monthly income. Permits a higher or lower adjustment at the request of the recipient subject to the agreement of the Commissioner. The limit does not apply if fraud, willful misrepresentation, or concealment of material information was involved on the part of the recipient or spouse in connection with the overpayment.

Waives recovery of certain overpayments due to amount of excess resources of \$50 or less.

Provides temporary authority for the recovery of overpayments from tax refunds.

1988

*Public Law 100-485,
enacted October 13*

Grants permanent authority to recover overpayments from tax refunds.

Act

1998

*Public Law 105-306,
enacted October 28*

Authorizes SSA to collect SSI overpayments by offsetting Social Security benefits, with a maximum monthly offset of no more than 10 percent of the Social Security benefit.

1999

*Public Law 106-169,
enacted December 14*

Makes representative payees liable for an SSI overpayment caused by a payment made to a recipient who has died, and requires SSA to establish an overpayment control record under the representative payee's Social Security number.

Requires SSA to recover SSI overpayments from SSI lump-sum amounts by withholding at least 50 percent of the lump-sum payment or the amount of the overpayment, whichever is less.

Extends all of the debt collection authorities currently available for the collection of overpayments under the OASDI program to the SSI program.

B. INCOME AND RESOURCE EXCLUSIONS

1. Earned Income Exclusions

- Any refund of Federal income taxes received under section 32 of the Internal Revenue Code (relating to earned income tax credit) and any payment received under section 3507 of the Internal Revenue Code (relating to advance payment of earned income tax credit);
- Any refundable child tax credit (which increases gradually from the current amount of \$600 for each child to \$1,000 per child in 2010);
- Up to \$10 of earned income in a month if it is infrequent or irregular, that is, if it is received only once in a calendar quarter from a single source or if its receipt cannot reasonably be expected (If the total amount of the infrequent or irregular income exceeds \$10, this exclusion cannot be used.);
- Up to \$1,320 per month but not more than \$5,340 in a calendar year received by a blind or disabled child who is a student regularly attending school;
- Any portion of the monthly \$20 exclusion for unearned income that has not been used;
- \$65 of earned income in a month;
- Amounts used to pay impairment-related work expenses if a recipient is disabled (but not blind) and under age 65 or is disabled (but not blind) and receiving SSI (or disability payments under a former State plan) before age 65;
- One-half of remaining earned income in a month;
- Earned income used to meet any expenses reasonably attributable to the earning of the income if the recipient is blind and under age 65 or if he/she received SSI as a blind person prior to age 65;
- Any earned income received and used to fulfill an approved plan to achieve self-support if the recipient is blind or disabled and under age 65 or is blind or disabled and received SSI as a blind or disabled individual in the month before he/she attained age 65; and
- Some Federal laws other than the Social Security Act provide for the exclusion of earned income for SSI purposes. For the most part, the income received under these laws relates to assistance received in the form of food, housing and utilities, educational and employment benefits or benefits derived from being a member of a Native American tribe. A complete list of laws which exclude earned income under SSI can be found in the Federal Regulations Appendix to Subpart K 20 CFR 416.

2. Unearned Income Exclusions

- Any public agency's refund of taxes on real property or food;
- Assistance based on need which is wholly funded by a State or one of its political subdivisions. This includes State supplementation of Federal SSI benefits but does not include payments under a Federal/State grant program such as Temporary Assistance for Needy Families (TANF);
- Any portion of a grant, scholarship or fellowship used for paying tuition, fees or other necessary educational expenses. Portions set aside for food, clothing or shelter are counted;
- Food raised by a household if it is consumed by that household;

- Assistance received under the Disaster Relief and Emergency Assistance Act and assistance provided under any Federal statute because of a catastrophe which the President of the United States declares to be a major disaster;
- Up to \$20 of unearned income in a month if it is infrequent or irregular; that is, if a type of unearned income is received only once during a calendar quarter from a single source or if it cannot reasonably be expected;
- Any unearned income received and used to fulfill an approved plan to achieve self-support if the recipient is blind or disabled and under age 65 or is blind or disabled and received SSI as a blind or disabled individual in the month before he/she attained age 65;
- Periodic payments made by a State under a program established before July 1, 1973, and based solely on the recipient's length of residence and attainment of age 65;
- Payments for providing foster care to an ineligible child who was placed in the recipient's home by a public or private nonprofit child placement or child care agency;
- Any interest earned on excluded burial funds and any appreciation in the value of an excluded burial arrangement which are left to accumulate and become part of the separately identifiable burial fund;
- Certain support and maintenance assistance provided in the form of home energy assistance;
- One-third of support payments made by an absent parent if the recipient is a child;
- The first \$20 of unearned income in a month other than income in the form of in-kind support and maintenance received in the household of another and income based on need;
- The value of any assistance paid with respect to a dwelling unit under the United States Housing Act of 1937, the National Housing Act, section 101 of the Housing and Urban Development Act of 1965, title V of the Housing Act of 1949, or section 202(h) of the Housing Act of 1959;
- Any interest accrued on and left to accumulate as part of the value of an excluded burial space purchase agreement (after April 1, 1990);
- The value of any commercial transportation ticket, for travel by a recipient or his/her spouse among the 50 States, the District of Columbia, Puerto Rico, the Virgin Islands, Guam, American Samoa and the Northern Mariana Islands, which is received as a gift and is not converted to cash;
- Payments received from a fund established by a State to aid victims of crime;
- Relocation assistance provided by a State or local government that is comparable to assistance provided under title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970;
- Hostile fire pay received from one of the uniformed services pursuant to 37 U.S.C. 310;
- Interest or other earnings on a dedicated account excluded from resources;
- In-kind gifts not converted to cash and the first \$2,000 annually of cash gifts made by tax-exempt organizations, such as the Make-A-Wish Foundation, to, or for the benefit of, individuals under age 18 with life-threatening conditions;
- Payments made under the Ricky Ray Hemophilia Relief Fund Act of 1998;

- TANF funds made available to an SSI recipient as part of an Individual Development Account (IDA);
- Deposits made by a participating individual or a sponsoring nonprofit organization or State or local government into an IDA under the “Assets for Independence Act” IDA demonstration project and interest earned on these deposits; and
- Unearned income excluded by other Federal laws. See Federal Regulations Appendix to Subpart K 20 CFR 416.

3. Resource Exclusions

- The home (including the land appertaining thereto);
- Household goods and personal effects to the extent that their total value does not exceed \$2,000;
- An automobile may be totally excluded if: (1) it is necessary for employment; (2) it is necessary for the medical treatment of a specific or regular medical problem; (3) it is modified for the operation by or transportation of, a handicapped individual; or (4) it is necessary to perform essential daily activities. If the automobile does not meet any of the above requirements, it may be excluded to the extent that its current-market value does not exceed \$4,500;
- Property of a trade or business which is essential to the means of self-support;
- Nonbusiness property which is essential to the means of self-support;
- Resources of a blind or disabled individual which are necessary to fulfill an approved plan for achieving self-support;
- Stock in regional or village corporations held by natives of Alaska during the 20-year period in which the stock is inalienable pursuant to the Alaska Native Claims Settlement Act;
- Life insurance owned by an individual (and spouse, if any) provided that all life insurance on any person does not exceed a face value of \$1,500;
- Restricted allotted Indian lands;
- Disaster relief assistance;
- Burial spaces and certain funds up to \$1,500 for burial expenses;
- Title XVI or title II retroactive payments (for 6 months following receipt);
- Housing assistance;
- Refunds of Federal income taxes and advances made by an employer relating to an earned income tax credit, (for the month following receipt);
- Refundable child tax credit (\$600 per child in the current year, gradually increasing to \$1,000 per child in 2010) in the month of receipt and in the following month;
- Payments received as compensation for expenses incurred or losses suffered as a result of a crime (for 9 months);
- Relocation assistance from a State or local government (for 9 months);

- Dedicated financial institution accounts for disabled children;
- In-kind gifts not converted to cash and the first \$2,000 annually of cash gifts made by tax-exempt organizations, such as the Make-A-Wish Foundation, to, or for the benefit of, individuals under age 18 with life-threatening conditions;
- Payments made under the Ricky Ray Hemophilia Relief Fund Act of 1998;
- Amounts deposited into either a TANF or “Assets for Independence Act” IDA, including matching funds and interest earned on such amounts;
- Certain trusts (e.g., those established by will or certain Medicaid trusts that will repay the State, upon the death of the beneficiary, for the costs of medical assistance provided to that individual); and
- Payments or benefits provided under a Federal statute other than title XVI of the Social Security Act where exclusion is provided by such statute.

C. HISTORICAL ALLOWANCE DATA

At the end of 2001, 81 percent of SSI recipients were receiving benefits based on a determination of disability. Claims are filed at a local Social Security office and claims requiring an evaluation of disability are sent to the State Disability Determination Services (DDS) for a decision. Initial DDS decisions that are unfavorable to the applicant may be appealed. Until recently, all appeals were initiated at the DDS level with a request for reconsideration of that initial denial. Persons denied at the reconsideration level could then apply to the Office of Hearings and Appeals (OHA) for a hearing before an Administrative Law Judge (ALJ), and if dissatisfied with the hearing decision could request a review by the Appeals Council. Those dissatisfied with the Appeals Council's action could seek further relief via the Federal court system. This appeals process is still in effect for the majority of new applicants. However, in recent years SSA has conducted small pilots testing revisions to this process and introduced a modification of this process in 10 States for applications filed October 1, 1999 and later. Under this revised process appeals of initial denials are made directly to OHA, thereby eliminating the reconsideration step. The options for appeal beyond the OHA level are unchanged.

Such a process of application and appeal can, in some cases, span several years. However, before 1993, the only data available on the disability determination process resided in files compiled at each separate stage of the process and only captured various point-in-time snapshots. A complete picture of the disability determination process can be fully understood only by compiling a longitudinal database from administrative records at all levels of appeal. Beginning in 1993, such a longitudinal database (the "Disability Research File") was constructed by the Division of Disability Program Information and Studies within SSA's Office of Disability to assist the agency in understanding and managing this process. In the process of constructing this database, some problems were encountered due to inconsistencies in the data collected from all the respective levels of appeal. The following sections present some additional details and qualifications essential to a complete understanding of the resulting data. Following these technical notes are tables based on the Disability Research File which show the latest available summary of results on disability determinations under title XVI.

1. Technical Notes on the Disability Research File

Methods used to build the title XVI Disability Research File—The "base" file for the title XVI research file is the Supplemental Security Record (SSR). This "base" file is matched against records from various other administrative sources, including transactions from the disability determination (SSA-831) files, Social Security number identification records and earnings data, and OHA case control data.

The process used to build this research file is cumbersome, involving about 180 steps, and generally requiring about 4 months to complete. Much of this complexity flows from the fact that the file is assembled based on filing date cohorts, even though many of the source files do not contain a filing date. The three most recent calendar year cohorts are completely reassembled from the basic data sources. Older calendar year cohorts are updated to reflect activity since the last time the file was built. Since the process is so time consuming, the research file is updated only annually (usually beginning in July). Therefore, research file data are not yet available for claims filed in 2001.

Methods used for estimating results (through February 2002) for claims filed in 2001—Although decision counts are available for 2001 filers (from many of the "source" files), those counts do not translate directly into the claims/appeals counts included in the following tables, due to the consolidation of multiple transactions (and application of claims-based tolerance rules) which occurs when the research file is built.

To prepare preliminary estimates of results (through February 2002) for 2001 filers, we started from the latest available transaction data, such as the SSA-831 data, and took into account recent years' experience

of the relationship between corresponding earlier transaction data and the resulting claims/appeals data in completed research files. We also considered claims counts from an extract file from the SSR. While we believe that the methods used are reasonable, it must be emphasized that the resulting estimates may prove to be of limited reliability, especially in light of the fact that the estimates give results only through February 2002, whereas the final research files will reflect information through June 2002. Actual data for 2001 will be available to replace these estimates in the 2003 Annual Report.

2. General Considerations

Some general points that apply to tables V.C1 and V.C2 are as follows:

- Data for 1988-2000 filers are as of June 2001. Results for those years' filers have been updated to include OHA results through August 2001.
- Data for 2001 filers are preliminary estimates as of February 2002, and reflect larger numbers of claims still pending. February 2002 data on number of claims appealed may be too low because larger numbers of claimants are still within the period allowed for filing an appeal (i.e., larger numbers of recently denied claimants who have not yet filed an appeal may appeal before the time limit runs out).
- Remaining appeals will affect the results. Since allowances are generally processed more quickly than denials, we expect that the percent allowed will ultimately be lower as all cases are processed.
- In certain pilot activities and under the revised process introduced October 1, 1999 in 10 States, initial denials can be appealed directly to OHA without a separate reconsideration step. As a result the appeals of initial denials shown in these tables include cases which will not receive a decision at the reconsideration level.

Table V.C1.—Disabled Adult Claims: Disposition of Applications for SSI Disability Benefits by Year of Filing¹ and Level of Decision

Calendar year of filing	Total claims filed	Initial decisions						
		Pending	Allowances		Denials		Appeals of initial denials	
			Number	Percent ²	Number	Percent ²	Number ³	Percent ⁴
1988	946,603	—	272,204	28.8	674,399	71.2	265,151	39.3
1989	969,218	—	292,044	30.1	677,174	69.9	274,823	40.6
1990	1,099,805	—	347,823	31.6	751,982	68.4	320,207	42.6
1991	1,288,331	—	415,336	32.2	872,995	67.8	383,669	43.9
1992	1,415,624	—	436,888	30.9	978,736	69.1	433,244	44.3
1993	1,503,278	—	416,300	27.7	1,086,978	72.3	485,166	44.6
1994	1,436,958	—	353,995	24.6	1,082,963	75.4	482,533	44.6
1995	1,318,416	—	323,084	24.5	995,332	75.5	439,166	44.1
1996	1,247,926	—	305,351	24.5	942,575	75.5	406,425	43.1
1997	1,110,898	—	292,839	26.4	818,059	73.6	357,999	43.8
1998	1,108,957	—	322,734	29.1	786,223	70.9	339,290	43.2
1999	1,102,945	—	326,823	29.6	776,122	70.4	327,316	42.2
2000	1,135,300	22,186	335,375	30.1	777,739	69.9	301,503	38.8
2001	1,299,000	259,000	356,400	34.3	683,600	65.7	228,490	33.4

Calendar year of filing	Reconsiderations						Appeals beyond reconsideration ⁵			
	Pending	Allowances		Denials	Appeals of reconsideration denials		Pending ⁷	Allowances		Denials ⁹
		Number	Percent ²		Number ⁶	Percent ⁴		Number	Percent ⁸	
1988	—	38,385	14.5	226,766	140,663	62.0	—	82,414	58.6	58,249
1989	—	43,505	15.8	231,318	146,082	63.2	—	90,169	61.7	55,913
1990	—	52,055	16.3	268,152	175,520	65.5	—	109,098	62.2	66,422
1991	—	59,157	15.4	324,512	221,816	68.4	—	139,698	63.0	82,118
1992	—	58,819	13.6	374,425	260,476	69.6	—	159,048	61.1	101,428
1993	—	57,938	11.9	427,228	294,288	68.9	—	170,169	57.8	124,119
1994	—	55,822	11.6	426,711	295,714	69.3	3,290	164,061	56.1	128,363
1995	—	51,697	11.8	387,469	266,241	68.7	3,883	142,696	54.4	119,662
1996	—	49,263	12.1	357,162	244,209	68.4	6,089	131,351	55.2	106,769
1997	—	47,573	13.4	306,561	215,414	70.3	10,885	117,947	56.6	90,447
1998	—	46,507	13.7	292,272	204,910	70.1	22,926	107,395	58.8	75,100
1999	—	40,999	13.2	270,553	189,463	70.0	53,576	91,682	60.5	59,969
2000	27,927	27,840	12.4	196,601	129,708	66.0	136,196	25,922	60.8	16,725
2001	46,600	21,400	14.5	125,900	46,640	37.0	75,600	3,740	66.4	1,890

Selected summary case information by decision status: *Numbers of cases*

Calendar year of filing	Total claims filed	Initial decisions pending	Total initial decisions	Denials		
				Allowances	Appeal decision pending	No appeal pending
1988	946,603	—	946,603	393,003	—	553,600
1989	969,218	—	969,218	425,718	—	543,500
1990	1,099,805	—	1,099,805	508,976	—	590,829
1991	1,288,331	—	1,288,331	614,191	—	674,140
1992	1,415,624	—	1,415,624	654,755	—	760,869
1993	1,503,278	—	1,503,278	644,407	—	858,871
1994	1,436,958	—	1,436,958	573,878	3,290	859,790
1995	1,318,416	—	1,318,416	517,477	3,883	797,056
1996	1,247,926	—	1,247,926	485,965	6,089	755,872
1997	1,110,898	—	1,110,898	458,359	10,885	641,654
1998	1,108,957	—	1,108,957	476,636	22,926	609,395
1999	1,102,945	—	1,102,945	459,504	53,576	589,865
2000	1,135,300	22,186	1,113,114	389,137	164,123	559,854
2001	1,299,000	259,000	1,040,000	381,540	122,200	536,260

Table V.C1.—Disabled Adult Claims: Disposition of Applications for SSI Disability Benefits by Year of Filing¹ and Level of Decision (Cont.)

Calendar year of filing	Selected summary case information by decision status						
	Numbers as a percentage of total claims filed				Numbers as a percentage of total initial decisions		
	Initial decision pending	Allowances	Denials		Allowances	Denials	
			Appeal decision pending	No appeal pending		Appeal decision pending	No appeal pending
1988	—	41.5	—	58.5	41.5	—	58.5
1989	—	43.9	—	56.1	43.9	—	56.1
1990	—	46.3	—	53.7	46.3	—	53.7
1991	—	47.7	—	52.3	47.7	—	52.3
1992	—	46.3	—	53.7	46.3	—	53.7
1993	—	42.9	—	57.1	42.9	—	57.1
1994	—	39.9	0.2	59.8	39.9	0.2	59.8
1995	—	39.2	.3	60.5	39.2	.3	60.5
1996	—	38.9	.5	60.6	38.9	.5	60.6
1997	—	41.3	1.0	57.8	41.3	1.0	57.8
1998	—	43.0	2.1	55.0	43.0	2.1	55.0
1999	—	41.7	4.9	53.5	41.7	4.9	53.5
2000	2.0	34.3	14.5	49.3	35.0	14.7	50.3
2001	19.9	29.4	9.4	41.3	36.7	11.8	51.6

¹ Data for claims filed in 1988-2000 reflect results as of June 2001 at the DDS level and as of August 2001 at the OHA level. The numbers of total claims filed for 1999 and 2000 are subject to change. Data for claims filed in 2001 are preliminary estimates as of February 2002. The ultimate number of allowances and denials are subject to change until all initial decisions have been completed and all appeals are final.

² Percentage of decisions at this level.

³ Includes certain cases which can be appealed directly to OHA.

⁴ Percentage of denials at this level appealed to next level.

⁵ Includes cases appealed to OHA, as well as beyond OHA to the Federal courts.

⁶ Number of persons appealing beyond the reconsideration level.

⁷ Includes cases remanded to OHA from the Federal courts.

⁸ Percentage of decisions at this level. For years where decisions are still pending, the preliminary percentage shown is expected to ultimately be lower as all cases are processed. This occurs because allowances are generally processed more quickly than denials.

⁹ Includes denied claims where the final administrative action was a dismissal of an appeal request (e.g., the appeal was not filed timely or the applicant failed to appear at the scheduled hearing).

Table V.C2.—Disabled Child Claims: Disposition of Applications for SSI Disability Benefits by Year of Filing¹ and Level of Decision

Calendar year of filing	Total claims filed	Initial decisions						
		Pending	Allowances		Denials		Appeals of initial denials	
			Number	Percent ²	Number	Percent ²	Number ³	Percent ⁴
1991	250,962	—	148,220	59.1	102,742	40.9	24,702	24.0
1992	372,971	—	189,079	50.7	183,892	49.3	49,297	26.8
1993	496,131	—	212,268	42.8	283,863	57.2	75,967	26.8
1994	525,013	—	172,219	32.8	352,794	67.2	92,093	26.1
1995	487,730	—	144,231	29.6	343,499	70.4	86,841	25.3
1996	453,473	—	127,416	28.1	326,057	71.9	75,013	23.0
1997	332,032	—	106,528	32.1	225,504	67.9	51,496	22.8
1998	335,732	—	123,249	36.7	212,483	63.3	50,111	23.6
1999	342,392	—	128,955	37.7	213,437	62.3	49,252	23.1
2000	349,618	6,583	135,222	39.4	207,813	60.6	44,095	21.2
2001	374,000	75,700	136,680	45.8	161,620	54.2	30,880	19.1

Calendar year of filing	Reconsiderations						Appeals beyond reconsideration ⁵			
	Pending	Allowances		Denials	Appeals of reconsideration denials		Pending ⁷	Allowances		Denials ⁹
		Number	Percent ²		Number ⁶	Percent ⁴		Number	Percent ⁸	
1991	—	5,605	22.7	19,097	9,196	48.2	—	3,884	42.2	5,312
1992	—	9,463	19.2	39,834	19,768	49.6	—	7,523	38.1	12,245
1993	—	11,338	14.9	64,629	31,156	48.2	—	10,633	34.1	20,523
1994	—	11,332	12.3	80,761	38,680	47.9	354	12,920	33.7	25,406
1995	—	10,287	11.8	76,554	35,776	46.7	365	10,873	30.7	24,538
1996	—	9,355	12.5	65,658	28,070	42.8	491	8,751	31.7	18,828
1997	—	8,266	16.2	42,705	19,028	44.6	792	6,854	36.5	11,907
1998	—	7,799	15.6	42,237	18,843	44.6	2,039	6,650	39.4	10,229
1999	—	7,132	15.4	39,111	17,616	45.0	5,702	6,003	40.2	8,920
2000	3,961	5,366	17.4	25,436	10,855	42.7	15,360	1,982	41.1	2,845
2001	5,500	3,160	16.0	16,640	3,790	22.8	8,820	210	38.2	340

Selected summary case information by decision status: Numbers of cases						
Calendar year of filing	Total claims filed	Initial decisions pending	Total initial decisions	Allowances	Denials	
					Appeal decision pending	No appeal pending
1991	250,962	—	250,962	157,709	—	93,253
1992	372,971	—	372,971	206,065	—	166,906
1993	496,131	—	496,131	234,239	—	261,892
1994	525,013	—	525,013	196,471	354	328,188
1995	487,730	—	487,730	165,391	365	321,974
1996	453,473	—	453,473	145,522	491	307,460
1997	332,032	—	332,032	121,648	792	209,592
1998	335,732	—	335,732	137,698	2,039	195,995
1999	342,392	—	342,392	142,090	5,702	194,600
2000	349,618	6,583	343,035	142,570	19,321	181,144
2001	374,000	75,700	298,300	140,050	14,320	143,930

Table V.C2.—Disabled Child Claims: Disposition of Applications for SSI Disability Benefits by Year of Filing¹ and Level of Decision (Cont.)

Calendar year of filing	Selected summary case information by decision status						
	Numbers as a percentage of total claims filed				Numbers as a percentage of total initial decisions		
	Initial decision pending	Allowances	Denials		Allowances	Denials	
			Appeal decision pending	No appeal pending		Appeal decision pending	No appeal pending
1991	—	62.8	—	37.2	62.8	—	37.2
1992	—	55.2	—	44.8	55.2	—	44.8
1993	—	47.2	—	52.8	47.2	—	52.8
1994	—	37.4	0.1	62.5	37.4	0.1	62.5
1995	—	33.9	.1	66.0	33.9	.1	66.0
1996	—	32.1	.1	67.8	32.1	.1	67.8
1997	—	36.6	.2	63.1	36.6	.2	63.1
1998	—	41.0	.6	58.4	41.0	.6	58.4
1999	—	41.5	1.7	56.8	41.5	1.7	56.8
2000	1.9	40.8	5.5	51.8	41.6	5.6	52.8
2001	20.2	37.4	3.8	38.5	46.9	4.8	48.3

¹ Data for claims filed in 1991-2000 reflect results as of June 2001 at the DDS level and as of August 2001 at the OHA level. The numbers of total claims filed for 1999 and 2000 are subject to change. Data for claims filed in 2001 are preliminary estimates as of February 2002. The ultimate number of allowances and denials are subject to change until all initial decisions have been completed and all appeals are final.

² Percentage of decisions at this level.

³ Includes certain cases which can be appealed directly to OHA.

⁴ Percentage of denials at this level appealed to next level.

⁵ Includes cases appealed to OHA, as well as beyond OHA to the Federal courts.

⁶ Number of persons appealing beyond the reconsideration level.

⁷ Includes cases remanded to OHA from the Federal courts.

⁸ Percentage of decisions at this level. For years where decisions are still pending, the preliminary percentage shown is expected to ultimately be lower as all cases are processed. This occurs because allowances are generally processed more quickly than denials.

⁹ Includes denied claims where the final administrative action was a dismissal of an appeal request (e.g., the appeal was not filed timely or the applicant failed to appear at the scheduled hearing).

D. HISTORICAL REDETERMINATION AND CONTINUING DISABILITY REVIEW DATA**1. Redeterminations**

Redeterminations are reviews of all of the nonmedical factors of eligibility to determine whether a recipient is still eligible for SSI and still receiving the correct payment amount. There are two types of redeterminations: scheduled and unscheduled. Scheduled redeterminations are selected annually or once every 6 years depending on the likelihood of payment error in the case. Except for certain institutionalized individuals, all recipients are periodically scheduled for a redetermination. Unscheduled redeterminations are completed on an as needed basis when recipients report, or we discover, certain changes in circumstances that could affect the continuing SSI payment amount. The numbers of redeterminations completed are subject to some year-to-year fluctuation because of variation in the numbers of unscheduled redeterminations completed and in the numbers of scheduled redeterminations that were selected but not completed during the fiscal year due to the impact of other workload requirements on the field offices. When redeterminations cannot be completed in the fiscal year scheduled, they are carried over into the next fiscal year. Table V.D1 provides historical data on numbers of redeterminations completed by fiscal year.

Table V.D1.—SSI Redeterminations Completed, Fiscal Years 1986-2001
[In thousands]

Fiscal year	Number of redeterminations
1986	2,278
1987	2,244
1988	1,997
1989	2,226
1990	2,103
1991	2,138
1992	2,321
1993	2,223
1994	¹ 1,900
1995	² 1,597
1996	1,763
1997	1,773
1998	1,853
1999	2,122
2000	2,182
2001	2,316

¹ Decrease in number of redeterminations completed in fiscal year 1994 due to low-error profile redeterminations not being completed from January through September 1994.

² Effective fiscal year 1995, approximately 200,000 fewer redeterminations were selected annually due to a change from a 3-year to a 6-year redetermination cycle for low-error profile cases.

During periods between scheduled redeterminations, SSA uses the limited issue process to detect situations that have the potential to affect the continuing eligibility of SSI recipients and SSI payment amounts. SSA conducts periodic computer matches between its own systems and the systems of other Federal and State agencies to determine if the income and resources information on SSI recipients' records is in conflict with data obtained from the other systems. Matches detecting conflicting information usually result in the posting of an identifier to the Supplemental Security Record of the SSI recipient. The case is then selected and scheduled for a field office review of the issue for which the indicator was posted. In fiscal year 2001, SSA released over 600,000 limited issue cases for development by field offices.

2. Continuing Disability Reviews

Following enactment of the Social Security Disability Amendments of 1980, section 221(i) of the Social Security Act generally requires SSA to review the continuing eligibility of title II disabled beneficiaries at least every 3 years. A similar requirement was not put in place at that time for disabled title XVI recipients. Although the Committee on Finance of the Senate stated in its report on this legislation that the same

continuing disability reviews (CDRs) procedures should be applied with respect to both the title II and title XVI programs, title XVI was not amended to accomplish this. In 1994 and again in 1996 legislation was enacted adding some mandates for the performance of CDRs under the SSI program.

Public Law 103-296 specified that during each of fiscal years 1996, 1997, and 1998, SSA was required to conduct CDRs on a minimum of 100,000 SSI recipients. In addition, during the same period, SSA was required to redetermine the SSI eligibility of at least one-third of all SSI child recipients who reach age 18 after April 1995 during the 1-year period following attainment of age 18. Such redeterminations for persons turning age 18 could count toward the 100,000 CDR requirement.

Public Law 104-193 extended the requirement of redetermination of SSI eligibility to all SSI child recipients who reach age 18, with such redetermination being based on an adult eligibility criteria. This law also added the requirement that a CDR be performed:

- At least once every 3 years for SSI recipients under age 18 who are eligible by reason of an impairment which is likely to improve, and
- Not later than 12 months after birth for recipients whose low birth weight is a contributing factor material to the determination of their disability unless the Commissioner determines that the impairment is not expected to improve within 12 months of the child's birth.

Public Law 105-33 gave SSA some additional flexibility in the scheduling of these categories of CDRs.

In order to handle the large CDR workload mandated under these various provisions, SSA developed, beginning in 1993, a process by which certain title II cases scheduled for a CDR would be screened using the results of a profiling process which included a mailer interview for some cases. In 1996 the profiling process was extended to title XVI adults who were scheduled for a CDR. The screening process resulted in the deferral of full medical reviews for 353,138 cases for which a scheduled title XVI CDR was processed in 2001.

For cases involving individuals who receive both title II and title XVI benefits, CDRs are typically initiated as title II CDRs with the results of the review affecting eligibility for benefits under both programs. Tables V.D2 and V.D3 present the latest available summary of results on CDRs of title XVI recipients performed under titles II and XVI since 1993. These tables include only cases for which a full medical review was conducted. In particular they do not include:

- Cases for which a mailer was completed, but for which a full medical review was deferred;
- CDRs initiated as the result of work activity on the part of the beneficiary/recipient; and
- Miscellaneous other CDRs processed by the State Disability Determination Services but not as part of the normal CDR scheduling process (such as voluntary and third party reports of medical improvement, post-transplant end-stage renal disease cases, and vocational rehabilitation reports).

In contrast with the allowance data presented in section V.C, the CDR data is tabulated on a cohort basis by the date of initial decision.

Table V.D2.—SSI Disabled Adult Reviews: Disposition of Continuing Disability Medical Reviews by Fiscal Year of Initial Decision¹ and Level of Decision

Fiscal year of initial DDS decision	Initial decisions									
	Total initial DDS decisions	Continuations		Cessations		Appeals to reconsideration				
		Number	Percent ²	Number	Percent ²	Number	Percent ³			
Reviews of concurrent title II/XVI cases initiated under title II										
1993	1,143	1,083	94.8	60	5.2	52	86.7			
1994	10,945	9,127	83.4	1,818	16.6	1,253	68.9			
1995	16,736	12,484	74.6	4,252	25.4	2,905	68.3			
1996	26,884	20,636	76.8	6,248	23.2	4,119	65.9			
1997	51,466	40,741	79.2	10,725	20.8	7,436	69.3			
1998	81,185	68,533	84.4	12,652	15.6	8,834	69.8			
1999	80,816	70,353	87.1	10,463	12.9	6,398	61.1			
2000	105,787	93,962	88.8	11,825	11.2	7,015	59.3			
2001	110,341	99,666	90.3	10,675	9.7	6,250	58.5			
Title XVI initiated reviews										
1993	—	—	—	—	—	—	—			
1994	—	—	—	—	—	—	—			
1995	4,287	3,277	76.4	1,010	23.6	665	65.8			
1996	55,025	46,273	84.1	8,752	15.9	6,146	70.2			
1997	69,557	57,662	82.9	11,895	17.1	8,839	74.3			
1998	75,071	64,829	86.4	10,242	13.6	7,369	71.9			
1999	140,429	125,079	89.1	15,350	10.9	10,547	68.7			
2000	173,470	156,065	90.0	17,405	10.0	11,130	63.9			
2001	143,902	126,610	88.0	17,292	12.0	10,126	58.6			
Total reviews, SSI disabled adults										
1993	1,143	1,083	94.8	60	5.2	52	86.7			
1994	10,945	9,127	83.4	1,818	16.6	1,253	68.9			
1995	21,023	15,761	75.0	5,262	25.0	3,570	67.8			
1996	81,909	66,909	81.7	15,000	18.3	10,265	68.4			
1997	121,023	98,403	81.3	22,620	18.7	16,275	71.9			
1998	156,256	133,362	85.3	22,894	14.7	16,203	70.8			
1999	221,245	195,432	88.3	25,813	11.7	16,945	65.6			
2000	279,257	250,027	89.5	29,230	10.5	18,145	62.1			
2001	254,243	226,276	89.0	27,967	11.0	16,376	58.6			
Reconsiderations										
Fiscal year of initial DDS decision	Reconsiderations					Appeals beyond reconsideration ⁴				
	Pending	Continuations		Cessations	Appeals to beyond reconsideration		Pending ⁶	Continuations		Cessations
Number	Percent ²	Number ⁵	Percent ³		Number	Percent				
Reviews of concurrent title II/XVI cases initiated under title II										
1993	—	22	42.3	30	14	46.7	—	9	64.3	5
1994	—	541	43.2	712	399	56.0	—	177	44.4	222
1995	—	1,245	42.9	1,660	1,007	60.7	—	382	37.9	625
1996	—	1,875	45.5	2,244	1,313	58.5	—	427	32.5	886
1997	91	4,297	58.5	3,048	2,313	75.9	70	928	41.4	1,315
1998	104	5,511	63.1	3,219	2,463	76.5	86	1,049	44.1	1,328
1999	222	3,964	64.2	2,212	1,551	70.1	133	595	42.0	823
2000	352	4,327	64.9	2,336	1,509	64.6	690	357	43.6	462
2001	1,356	3,419	69.9	1,475	718	48.7	632	37	43.0	49
Title XVI initiated reviews										
1993	—	—	—	—	—	—	—	—	—	—
1994	—	—	—	—	—	—	—	—	—	—
1995	—	241	36.2	424	267	63.0	—	87	32.6	180
1996	—	3,289	53.5	2,857	1,946	68.1	—	623	32.0	1,323
1997	118	5,271	60.4	3,450	2,661	77.1	92	959	37.3	1,610
1998	144	4,527	62.7	2,698	2,053	76.1	117	705	36.4	1,231
1999	298	6,571	64.1	3,678	2,527	68.7	188	870	37.2	1,469
2000	344	6,760	62.7	4,026	2,687	66.7	1,108	568	36.0	1,011
2001	2,499	4,955	65.0	2,672	1,222	45.7	1,094	50	39.1	78
Total reviews, SSI disabled adults										
1993	—	22	42.3	30	14	46.7	—	9	64.3	5
1994	—	541	43.2	712	399	56.0	—	177	44.4	222
1995	—	1,486	41.6	2,084	1,274	61.1	—	469	36.8	805
1996	—	5,164	50.3	5,101	3,259	63.9	—	1,050	32.2	2,209
1997	209	9,568	59.6	6,498	4,974	76.5	162	1,887	39.2	2,925
1998	248	10,038	62.9	5,917	4,516	76.3	203	1,754	40.7	2,559
1999	520	10,535	64.1	5,890	4,078	69.2	321	1,465	39.0	2,292
2000	696	11,087	63.5	6,362	4,196	66.0	1,798	925	38.6	1,473
2001	3,855	8,374	66.9	4,147	1,940	46.8	1,726	87	40.7	127

Table V.D2.—SSI Disabled Adult Reviews: Disposition of Continuing Disability Medical Reviews by Fiscal Year of Initial Decision¹ and Level of Decision (Cont.)

Fiscal year of initial DDS decision	Selected summary case information by decision status as of January 2002						
	Total initial decisions	Numbers of cases			Numbers as a percentage of total initial decisions		
		Continuations	Cessations pending an appeal decision	Cessations with no appeal pending	Continuations	Cessations pending an appeal decision	Cessations with no appeal pending
Reviews of concurrent title II/XVI cases initiated under title II							
1993	1,143	1,114	—	29	97.5	—	2.5
1994	10,945	9,845	—	1,100	89.9	—	10.1
1995	16,736	14,111	—	2,625	84.3	—	15.7
1996	26,884	22,938	—	3,946	85.3	—	14.7
1997	51,466	45,966	161	5,339	89.3	0.3	10.4
1998	81,185	75,093	190	5,902	92.5	.2	7.3
1999	80,816	74,912	355	5,549	92.7	.4	6.9
2000	105,787	98,646	1,042	6,099	93.2	1.0	5.8
2001	110,341	103,122	1,988	5,231	93.5	1.8	4.7
Title XVI initiated reviews							
1993	—	—	—	—	—	—	—
1994	—	—	—	—	—	—	—
1995	4,287	3,605	—	682	84.1	—	15.9
1996	55,025	50,185	—	4,840	91.2	—	8.8
1997	69,557	63,892	210	5,455	91.9	.3	7.8
1998	75,071	70,061	261	4,749	93.3	.3	6.3
1999	140,429	132,520	486	7,423	94.4	.3	5.3
2000	173,470	163,393	1,452	8,625	94.2	.8	5.0
2001	143,902	131,615	3,593	8,694	91.5	2.5	6.0
Total reviews, SSI disabled adults							
1993	1,143	1,114	—	29	97.5	—	2.5
1994	10,945	9,845	—	1,100	89.9	—	10.1
1995	21,023	17,716	—	3,307	84.3	—	15.7
1996	81,909	73,123	—	8,786	89.3	—	10.7
1997	121,023	109,858	371	10,794	90.8	.3	8.9
1998	156,256	145,154	451	10,651	92.9	.3	6.8
1999	221,245	207,432	841	12,972	93.8	.4	5.9
2000	279,257	262,039	2,494	14,724	93.8	.9	5.3
2001	254,243	234,737	5,581	13,925	92.3	2.2	5.5

¹ Data reflect results as of January 2002. The ultimate number of continuations and cessations are subject to change until all appeals are final.

² Percentage of decisions at this level.

³ Percentage of cessations at this level appealed to next level.

⁴ Includes cases appealed to the Office of Hearings and Appeals, but not cases appealed beyond OHA to the Federal courts. These excluded cases have a minimal impact on the number of continuations.

⁵ Number of persons appealing beyond the reconsideration level.

⁶ Includes cases remanded to OHA from the Federal courts.

Table V.D3.—SSI Disabled Child Reviews: Disposition of Continuing Disability Medical Reviews by Fiscal Year of Initial Decision ¹ and Level of Decision

Fiscal year of initial DDS decision	Initial decisions							
	Total initial DDS decisions	Continuations		Cessations		Appeals to reconsideration		
		Number	Percent ²	Number	Percent ²	Number	Percent ³	
Reviews of low-birth-weight children								
1994	1,225	771	62.9	454	37.1	159	35.0	
1995	4,231	2,083	49.2	2,148	50.8	665	31.0	
1996	5,709	2,491	43.6	3,218	56.4	904	28.1	
1997	7,091	4,482	63.2	2,609	36.8	842	32.3	
1998	17,620	6,092	34.6	11,528	65.4	3,692	32.0	
1999	9,773	4,114	42.1	5,659	57.9	1,660	29.3	
2000	10,178	4,566	44.9	5,612	55.1	1,613	28.7	
2001	9,086	4,152	45.7	4,934	54.3	1,365	27.7	
Redeterminations at age 18								
1994	—	—	—	—	—	—	—	
1995	71	64	90.1	7	9.9	5	71.4	
1996	12,640	8,158	64.5	4,482	35.5	2,055	45.9	
1997	48,834	22,431	45.9	26,403	54.1	16,992	64.4	
1998	40,945	21,453	52.4	19,492	47.6	11,082	56.9	
1999	49,557	27,413	55.3	22,144	44.7	11,040	49.9	
2000	51,713	28,863	55.8	22,850	44.2	11,195	49.0	
2001	48,944	28,167	57.5	20,777	42.5	9,815	47.2	
All other reviews of SSI disabled children								
1994	—	—	—	—	—	—	—	
1995	3,535	2,501	70.7	1,034	29.3	541	52.3	
1996	789	399	50.6	390	49.4	210	53.8	
1997	14	8	57.1	6	42.9	4	66.7	
1998	91,157	67,203	73.7	23,954	26.3	13,380	55.9	
1999	183,211	129,420	70.6	53,791	29.4	28,932	53.8	
2000	140,699	106,583	75.8	34,116	24.2	17,389	51.0	
2001	95,835	72,896	76.1	22,939	23.9	11,823	51.5	
Total reviews, SSI disabled children								
1994	1,225	771	62.9	454	37.1	159	35.0	
1995	7,837	4,648	59.3	3,189	40.7	1,211	38.0	
1996	19,138	11,048	57.7	8,090	42.3	3,169	39.2	
1997	55,939	26,921	48.1	29,018	51.9	17,838	61.5	
1998	149,722	94,748	63.3	54,974	36.7	28,154	51.2	
1999	242,541	160,947	66.4	81,594	33.6	41,632	51.0	
2000	202,590	140,012	69.1	62,578	30.9	30,197	48.3	
2001	153,865	105,215	68.4	48,650	31.6	23,003	47.3	

Fiscal year of initial DDS decision	Reconsiderations					Appeals beyond reconsideration ⁴				
	Pending	Continuations		Cessations	Appeals to beyond reconsideration		Pending ⁶	Continuations		Cessations
		Number	Percent ²		Number ⁵	Percent ³		Number	Percent	
Reviews of low-birth-weight children										
1994	—	44	27.7	115	51	44.3	—	15	29.4	36
1995	—	184	27.7	481	219	45.5	—	53	24.2	166
1996	—	329	36.4	575	232	40.3	—	44	19.0	188
1997	21	292	35.6	529	237	44.8	3	48	20.5	186
1998	51	1,234	33.9	2,407	1,142	47.4	22	230	20.5	890
1999	29	605	37.1	1,026	492	48.0	50	72	16.3	370
2000	81	603	39.4	929	423	45.5	221	42	20.8	160
2001	424	373	39.6	568	175	30.8	162	1	7.7	12
Redeterminations at age 18										
1994	—	—	—	—	—	—	—	—	—	—
1995	—	2	40.0	3	2	66.7	—	1	50.0	1
1996	—	707	34.4	1,348	584	43.3	—	119	20.4	465
1997	254	4,590	27.4	12,148	6,459	53.2	92	1,409	22.1	4,958
1998	171	3,072	28.2	7,839	4,373	55.8	89	918	21.4	3,366
1999	173	3,363	30.9	7,504	4,324	57.6	399	903	23.0	3,022
2000	361	3,548	32.7	7,286	3,881	53.3	1,688	567	25.9	1,626
2001	2,619	2,606	36.2	4,590	1,936	42.2	1,688	64	25.8	184
All other reviews of SSI disabled children										
1994	—	—	—	—	—	—	—	—	—	—
1995	—	177	32.7	364	202	55.5	—	52	25.7	150
1996	—	69	32.9	141	55	39.0	—	17	30.9	38
1997	1	1	33.3	2	1	50.0	—	—	0.0	1
1998	106	4,460	33.6	8,814	5,547	62.9	145	1,229	22.8	4,173
1999	566	9,325	32.9	19,041	11,810	62.0	1,063	2,282	21.2	8,465
2000	729	6,375	38.3	10,285	5,949	57.8	2,732	731	22.7	2,486
2001	3,708	3,589	44.2	4,526	2,035	45.0	1,825	50	23.8	160
Total reviews, SSI disabled children										
1994	—	44	27.7	115	51	44.3	—	15	29.4	36
1995	—	363	30.0	848	423	49.9	—	106	25.1	317
1996	—	1,105	34.9	2,064	871	42.2	—	180	20.7	691
1997	276	4,883	27.8	12,679	6,697	52.8	95	1,457	22.1	5,145
1998	328	8,766	31.5	19,060	11,062	58.0	256	2,377	22.0	8,429
1999	768	13,293	32.5	27,571	16,626	60.3	1,512	3,257	21.5	11,857
2000	1,171	10,526	36.3	18,500	10,253	55.4	4,641	1,340	23.9	4,272
2001	6,751	6,568	40.4	9,684	4,146	42.8	3,675	115	24.4	356

Table V.D3.—SSI Disabled Child Reviews: Disposition of Continuing Disability Medical Reviews by Fiscal Year of Initial Decision¹ and Level of Decision (Cont.)

Fiscal year of initial DDS decision		Selected summary case information by decision status as of January 2002					
		Numbers of cases			Numbers as a percentage of total initial decisions		
		Total initial decisions	Continuations	Cessations pending an appeal decision	Cessations with no appeal pending	Continuations	Cessations pending an appeal decision
Reviews of low-birth-weight children							
1994	1,225	830	—	395	67.8	—	32.2
1995	4,231	2,320	—	1,911	54.8	—	45.2
1996	5,709	2,864	—	2,845	50.2	—	49.8
1997	7,091	4,822	24	2,245	68.0	0.3	31.7
1998	17,620	7,556	73	9,991	42.9	.4	56.7
1999	9,773	4,791	79	4,903	49.0	.8	50.2
2000	10,178	5,211	302	4,665	51.2	3.0	45.8
2001	9,086	4,526	586	3,974	49.8	6.4	43.7
Redeterminations at age 18							
1994	—	—	—	—	—	—	—
1995	71	67	—	4	94.4	—	5.6
1996	12,640	8,984	—	3,656	71.1	—	28.9
1997	48,834	28,430	346	20,058	58.2	.7	41.1
1998	40,945	25,443	260	15,242	62.1	.6	37.2
1999	49,557	31,679	572	17,306	63.9	1.2	34.9
2000	51,713	32,978	2,049	16,686	63.8	4.0	32.3
2001	48,944	30,837	4,307	13,800	63.0	8.8	28.2
All other reviews of SSI disabled children							
1994	—	—	—	—	—	—	—
1995	3,535	2,730	—	805	77.2	—	22.8
1996	789	485	—	304	61.5	—	38.5
1997	14	9	1	4	64.3	7.1	28.6
1998	91,157	72,892	251	18,014	80.0	.3	19.8
1999	183,211	141,027	1,629	40,555	77.0	.9	22.1
2000	140,699	113,689	3,461	23,549	80.8	2.5	16.7
2001	95,835	76,535	5,533	13,767	79.9	5.8	14.4
Total reviews, SSI disabled children							
1994	1,225	830	—	395	67.8	—	32.2
1995	7,837	5,117	—	2,720	65.3	—	34.7
1996	19,138	12,333	—	6,805	64.4	—	35.6
1997	55,939	33,261	371	22,307	59.5	.7	39.9
1998	149,722	105,891	584	43,247	70.7	.4	28.9
1999	242,541	177,497	2,280	62,764	73.2	.9	25.9
2000	202,590	151,878	5,812	44,900	75.0	2.9	22.2
2001	153,865	111,898	10,426	31,541	72.7	6.8	20.5

¹ Data reflect results as of January 2002. The ultimate number of continuations and cessations are subject to change until all appeals are final.

² Percentage of decisions at this level.

³ Percentage of cessations at this level appealed to next level.

⁴ Includes cases appealed to the Office of Hearings and Appeals, but not cases appealed beyond OHA to the Federal courts. These excluded cases have a minimal impact on the number of continuations.

⁵ Number of persons appealing beyond the reconsideration level.

⁶ Includes cases remanded to OHA from the Federal courts.

E. INCENTIVES FOR WORK AND OPPORTUNITIES FOR REHABILITATION

1. Work Incentives

Since the beginning of the SSI program, a number of disabled recipients have worked and received SSI payments. Initially, the program contained a basic earned income exclusion that recognized the additional costs associated with employment. In addition, the law contained a number of special income exclusions which were intended as work incentives. Among these provisions were the income exclusion for blind work expenses (BWE), plans for achieving self-support (PASS), and student earned income exclusion (SEIE).

In the 1980 amendments to the Social Security Act, Congress provided additional incentives to help SSI disabled recipients become self-supporting. These incentives included:

- Providing for an earned income exclusion for impairment-related work expenses (IRWE);
- Changing the treatment of sheltered workshop earnings from unearned income to earned income, thereby qualifying sheltered workshop earnings for the earned income exclusion;
- Providing for the continuation of SSI payments for certain disabled individuals enrolled in vocational rehabilitation programs whose disability ceased due to medical recovery (extended to SSI blind recipients, effective April, 1988);
- Establishing section 1619 which provided:
 - In subsection 1619(a), special SSI cash benefits to disabled individuals who lose eligibility for SSI payments because they have earnings exceeding the level that is ordinarily considered to represent substantial gainful activity (SGA), and
 - In subsection 1619(b), special SSI recipient status for Medicaid purposes to working disabled or blind individuals when their earnings make them ineligible for cash payments.

The incentives for work and opportunities for rehabilitation are discussed in more detail in section III.E. In the tables that follow we provide historical information on participation by SSI recipients in work incentive programs.¹

a. Numbers of Participants in Work Incentive Programs

In this section, we present historical data on participation by SSI recipients in work incentive programs. Table V.E1 presents historical numbers of SSI recipients categorized according to their section 1619 status. Figure V.E1 presents the same information in graphical form.

¹ More detailed information on participation by SSI recipients in work incentive programs is provided in the *Quarterly Report on SSI Disabled Workers and Work Incentive Provisions* prepared by the Office of Research, Evaluation and Statistics, Social Security Administration.

Table V.E1.—SSI Federally-Administered Blind or Disabled Working Recipients as of December, 1987-2001

Year	In current-payment status		1619(b) workers ³	Total workers
	1619(a) workers ¹	Other workers ²		
1987	14,559	142,664	15,632	172,855
1988	19,920	153,599	15,625	189,144
1989	25,655	161,928	18,254	205,837
1990	13,994	182,421	23,517	219,932
1991	15,531	186,824	27,264	229,619
1992	17,603	199,665	31,649	248,917
1993	20,028	210,322	35,299	265,649
1994	24,315	217,478	40,683	282,476
1995	28,060	223,573	47,002	298,635
1996	31,085	225,310	51,905	308,300
1997	34,673	228,093	57,089	319,855
1998	37,271	229,662	59,542	326,475
1999	25,528	245,825	69,265	340,618
2000	27,542	249,313	83,572	360,427
2001	22,100	247,555	76,455	346,110

¹ In January, 1990, the SGA level was raised from \$300 to \$500 and section 1619(a) participants with earnings at or below \$500 became eligible for regular SSI benefits rather than the special cash payments under section 1619(a). The SGA level was further increased to \$700 in July 1999, \$740 in January 2001, and \$780 in January 2002. Increases in the SGA level in subsequent years will be based on increases in the national average wage index.

² Workers' earnings are at or below the SGA level.

³ 1619(b) recipients are not in current-payment status but retain SSI recipient status for Medicaid purposes.

Note: Totals do not necessarily equal the sums of rounded components.

Figure V.E1.—SSI Federally-Administered Blind or Disabled Working Recipients as of December, 1987-2001

[In thousands]

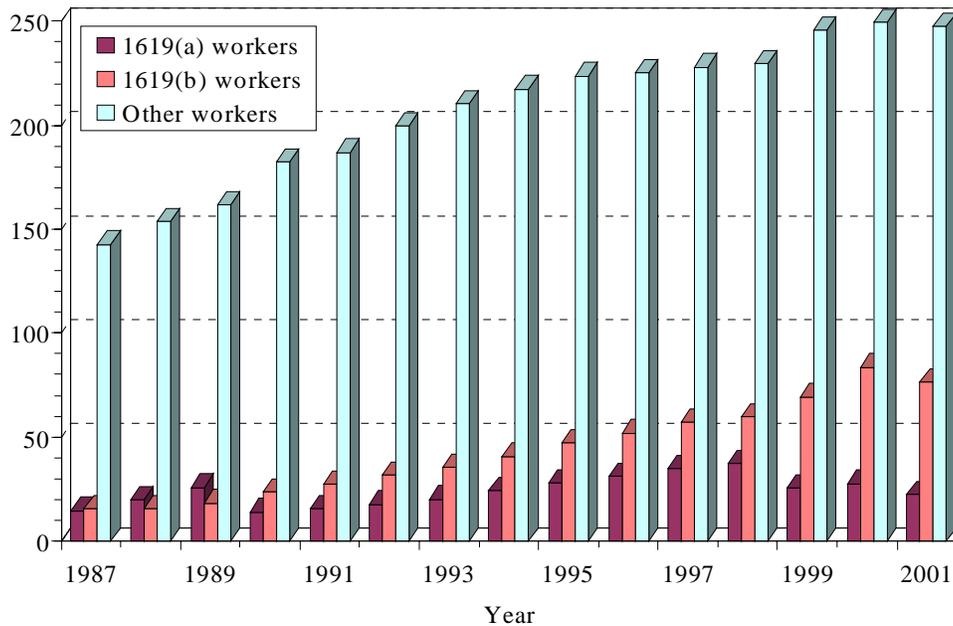


Table V.E2 presents historical numbers of SSI recipients who benefit from other selected work incentive provisions: (1) plan for achieving self-support (PASS), (2) impairment-related work expense exclusion (IRWE), and (3) blind work expense exclusion (BWE). These recipients may be benefiting from more than one of these selected work incentive provisions. This information is available only for calendar years 1990 and later.

Table V.E2.—SSI Federally-Administered Blind or Disabled Individuals with SSI Recipient Status Participating in Other Work Incentives as of December, 1990-2001

Year	PASS ¹			IRWE	BWE
	Non-workers	Workers	Total		
1990	1,215	1,040	2,255	5,384	4,385
1991	1,969	1,601	3,570	6,546	4,330
1992	3,189	2,658	5,847	7,813	4,454
1993	4,528	3,602	8,130	8,629	4,406
1994	5,842	4,487	10,329	9,484	4,380
1995	5,719	4,603	10,322	9,940	4,433
1996	2,760	1,944	4,704	9,799	4,230
1997	1,290	708	1,998	9,637	4,116
1998	712	362	1,074	9,301	3,802
1999	698	347	1,045	9,520	3,971
2000	862	520	1,382	9,422	3,895
2001	1,051	549	1,600	8,798	3,642

¹ For years 1990 through 1996, data do not include PASS plans which exclude only resources.

Note: Working recipients participating in these other work incentives may be 1619(a) recipients, 1619(b) recipients or working recipients whose earnings are at or below the SGA level.

b. Average Earnings of Participants in Work Incentive Programs

In this section, we present historical data on average earnings of SSI working recipients. Table V.E3 presents average earnings of SSI recipients categorized according to their section 1619 status.

Table V.E3.—Average Monthly Earnings of SSI Federally-Administered Blind or Disabled Working Recipients, as of December, 1987-2001

Year	Blind or disabled workers with SSI recipient status			
	In current-payment status		1619(b) workers ³	Total workers
	1619(a) workers ¹	Other workers ²		
1987	\$494	⁴ \$124	\$739	⁴ \$211
1988	522	⁴ 127	721	⁴ 218
1989	518	⁴ 131	712	⁴ 231
1990	712	145	746	245
1991	724	148	780	262
1992	726	150	781	271
1993	728	153	784	280
1994	746	157	803	301
1995	754	160	834	322
1996	764	162	881	344
1997	772	164	932	367
1998	772	182	954	390
1999	926	207	980	418
2000	945	239	1,048	481
2001	1,004	252	1,043	475

¹ In January, 1990, the SGA level was raised from \$300 to \$500 and section 1619(a) participants with earnings at or below \$500 became eligible for regular SSI benefits rather than the special cash payments under section 1619(a). The SGA level was further increased to \$700 in July 1999, \$740 in January 2001, and \$780 in January 2002. Increases in the SGA level in subsequent years will be based on increases in the national average wage index.

² Workers' earnings are at or below the SGA level.

³ 1619(b) recipients are not in current-payment status but retain SSI recipient status for Medicaid purposes.

⁴ Estimated.

2. Vocational Rehabilitation/Ticket to Work Program

Since the inception of the SSI program, SSA has made provision for blind or disabled individuals who are receiving SSI benefits to be referred to State Vocational Rehabilitation (VR) agencies. The 1980 amendments provided for the continuation of SSI payments for certain disabled individuals enrolled in VR programs whose disability ceased due to medical recovery. This benefit continuation provision applied only if the VR program was approved by SSA and SSA determined that continuation or completion of such program would increase the likelihood that the individual will be permanently removed from the SSI rolls. This provision was extended to SSI blind recipients effective April, 1988. In 1994, regulations were amended to provide access to alternate private and non-State public VR providers when a State VR agency does not serve an SSI recipient whom SSA refers for services.

From the beginning of the SSI program through 1981, SSA made block grants to VR agencies to fund services to disabled beneficiaries. The 1981 amendments established reimbursement provisions so that VR agencies would be reimbursed for the cost of VR services furnished to blind or disabled SSI recipients only if the services result in the recipient returning to work. The 1984 amendments authorized reimbursement in other circumstances.¹ In 1994, these reimbursement procedures were amended by regulation to include reimbursement of alternate providers. For reimbursement purposes, recipients are considered to have returned to work if they have had earnings exceeding the SGA level for 9 continuous months. Effective with the 1990 amendments, reimbursement for the cost of VR services was authorized for services provided in months in which the individual was not receiving Federal SSI benefits if the individual:

- Had special SSI recipient status for Medicaid purposes under section 1619(b) of the Social Security Act,
- Received a Federally-administered State supplementary payment, or
- Had SSI benefits suspended for fewer than 13 consecutive months for a reason other than cessation of disability or blindness.

The Ticket to Work and Work Incentives Improvement Act of 1999 (“the Ticket legislation”) established a Ticket to Work and Self-Sufficiency program (Ticket to Work program) under which a disabled beneficiary may obtain vocational rehabilitation, employment and other support services from a qualified private or public provider. Providers of such services in this new setting are referred to as “employment networks” (ENs). In addition, the Ticket legislation provided for a new procedure for compensating the ENs under an outcome or outcome-milestone payment system to be specified under regulations issued by the Commissioner. By expanding the pool of providers and giving the providers incentives for achieving success, this program seeks to expand a disabled beneficiary’s access to these services in order to assist the beneficiary in finding, entering, and retaining employment and reducing his/her dependence on cash benefits.

The Ticket to Work program is being implemented on a State-by-State basis and will be in operation nationwide by January 2004. Once the Ticket to Work program is implemented in a State, the traditional VR referral process described earlier will be eliminated in that State, and SSA will provide eligible individuals who receive SSI benefits due to blindness or disability in such State with a Ticket to Work document (“ticket”). These individuals may use the ticket to obtain the vocational rehabilitation services, employment services and other support services needed to return to work, or go to work for the first time. Individuals not eligible for a ticket may still request services from a State VR agency, which must decide whether they are eligible for services under the Rehabilitation Act of 1973.

¹ Reimbursement may be made in cases where the recipient medically recovers while engaged in a program of rehabilitation services approved by SSA and SSA determines that continuation or completion of such program increases the likelihood the individual will be permanently removed from the rolls.

Until the Ticket to Work program is fully implemented, the State VR agencies and alternate providers under the traditional system can continue to receive compensation under the cost reimbursement system described above. However, once the Ticket to Work program is fully implemented only the State VR agencies will have the option on a case-by-case basis of electing to remain under the traditional VR compensation system. At that time, ENs will be the only other providers of VR services for disabled beneficiaries and will be compensated through the new outcome-based system.

Pursuant to the Ticket legislation requirement that SSA establish a corps of work incentives specialists to disseminate accurate information with respect to work incentives, SSA created and piloted the Employment Support Representative (ESR) position. During the pilot, ESRs provided information about SSA's employment support programs to (1) disabled beneficiaries who want to work, (2) applicants for disability benefits and their families, (3) providers of vocational rehabilitation and employment support services, and (4) potential employers. SSA is considering how best to implement the results of the pilot experience.

Table V.E4 provides historical data on the number of reimbursement claims allowed and the amount of such awards for SSI recipients.

Table V.E4.—Vocational Rehabilitation Reimbursement Claims Allowed, Fiscal Years 1987-2001

Fiscal year	Concurrent title II/XVI claims		Title XVI only claims		Total claims	
	Number	Amount ¹ (in thousands)	Number	Amount (in thousands)	Number	Amount ¹ (in thousands)
1987	2/	2/	1,493	\$10,010	2/	2/
1988	2/	2/	1,720	14,831	2/	2/
1989	2/	2/	1,871	18,366	2/	2/
1990	1,267	\$3,290	2,819	22,832	4,086	\$26,122
1991	1,445	4,325	2,171	20,615	3,616	24,940
1992	1,634	5,312	2,834	28,276	4,468	33,588
1993	1,928	6,670	2,158	22,264	4,086	28,934
1994	1,880	7,057	2,074	23,400	3,954	30,457
1995	2,140	7,761	2,229	26,402	4,369	34,162
1996	2,033	6,518	2,138	24,334	4,171	30,852
1997	2,735	8,541	2,914	31,532	5,649	40,073
1998	3,329	10,089	3,446	36,313	6,775	46,402
1999	3,572	11,403	4,046	42,281	7,618	53,684
2000	3,260	11,357	3,589	40,793	6,849	52,150
2001	2,388	9,590	2,763	34,842	5,151	44,432

¹ For concurrent title II/XVI claims, amounts shown represent title XVI portion of claim.

² For fiscal years 1987-89, data on title II reimbursement claims involving concurrent title XVI reimbursement claims are not available.

Note: Totals do not necessarily equal the sums of rounded components.

F. INVOLVEMENT OF SSI RECIPIENTS IN OTHER PROGRAMS

In this appendix we present data on participation by SSI recipients in other programs. Certain information is available from the Supplemental Security Record (SSR), the main administrative file for the SSI program. Data summarized from the SSR are very representative of the overall SSI recipient population since the information is based on a 100-percent extract or, for certain information, on a 10-percent extract from the SSR. Data from the SSR are presented in section 1 below.

There are other potential sources for information on SSI recipients that are not available on the SSI administrative files. One source in particular is the Survey of Income and Program Participation (SIPP)¹, a U.S. Census Bureau sample survey that collects information such as the source and amount of income, program participation and general demographic characteristics for the U.S. civilian noninstitutionalized population. Data from the SIPP are presented in section 2.

1. Program Participation Data from the Supplemental Security Record (SSR)

Since the amount of an individual's income is used to determine both the eligibility for, and the amount of his/her SSI benefit, it is necessary for the SSR to contain information on participation by SSI recipients in certain other programs which may provide countable income to the SSI recipient. A significant number of SSI recipients are Social Security beneficiaries whose total countable income, including OASDI benefits, is less than the Federal benefit rate plus the amount of applicable Federally-administered State supplementary payment. A smaller number of SSI recipients participate in other programs and receive income such as Worker's Compensation benefits or disability cash benefits from the Department of Veterans Affairs.

SSA does not maintain complete information in its administrative files concerning the involvement of SSI recipients in other assistance programs, because under the law payments from such programs are excluded from countable income attributable to the individual. We do, however, have some data with regard to entitlement to benefits under two other programs—Temporary Assistance for Needy Families (TANF) (which replaced Aid to Families with Dependent Children (AFDC)) and State Interim Assistance Reimbursement—at the point that the individual applied for SSI benefits. TANF (and AFDC previously) is a State program funded under Part A of title IV of the Social Security Act. Interim assistance is assistance a State gives to SSI applicants in cash or vendor payments for meeting basic needs while they are awaiting the outcome of the SSI eligibility determination process.

Table V.F1 presents percentages of SSI recipients who (1) concurrently receive payments from certain other selected programs or (2) have previously been enrolled in TANF/AFDC or received Interim Assistance Reimbursement.

¹ The SIPP is a sample survey conducted by the U.S. Census Bureau, which collects data on the U.S. civilian noninstitutionalized population. The SIPP is comprised of a continuous series of national panels which are identified by the year in which interviewing began for that panel. The participants in the panel are divided into four rotation groups, with each group being interviewed monthly on a rotating basis concerning the 4 months prior to the month of interview. The data are released in waves, where 4 months of interviews comprise a wave. The data presented here are for December 1999 and are taken from Wave 12 of the 1996 Panel. Only three of the four rotation groups were interviewed in December 1999. However, since individuals are assigned to rotation groups randomly, the sample used for this table is still nationally representative. Sample weights were adjusted to reflect the missing rotation group.

Table V.F1.—Percentage of SSI Federally-Administered Recipients in Current-Payment Status with Participation¹ in Selected Programs Based on SSA Administrative Records, December, 2001

	Male			Female			All
	0-17	18-64	65 or older	0-17	18-64	65 or older	
Number of Federally-administered recipients, December, 2001 (in thousands)	564	1,654	574	318	2,157	1,422	6,688
Program	(In percent)						
Program participation by SSI recipients, December, 2001							
Federal SSI	99.7	95.7	91.8	99.7	97.0	93.4	95.8
Federally-administered State SSI supplementation	28.6	36.8	50.9	27.9	34.5	43.9	37.7
OASDI	7.1	32.1	55.7	7.0	29.3	59.5	35.7
Black Lung	2/	2/	2/	2/	2/	2/	2/
Railroad Retirement	2/	2/	0.1	2/	2/	0.1	2/
Veterans Affairs disability cash benefits	0.2	0.6	0.9	0.2	0.8	3.6	1.3
Worker's Compensation	2/	0.1	0.1	2/	0.1	2/	0.1
Previous program participation by SSI recipients, December, 2001							
TANF/AFDC	48.4	16.4	7.3	45.9	32.3	8.1	23.1
Interim Assistance Reimbursement	0.3	17.3	8.6	0.4	14.4	8.2	11.4

¹ SSI recipients or the households of SSI recipients may participate in more than one of these programs.

² Less than 0.05 percent of SSI recipients in this gender/age grouping participate in the program.

Note: Total numbers of recipients do not necessarily equal the sums of rounded components.

2. Program Participation Data from the Survey of Income and Program Participation (SIPP)

In this section we present information on program participation by SSI recipients or households of SSI recipients which is not available from SSA administrative files. This information is based on data collected by interviews conducted under Wave 12 of the 1999 SIPP and then matched to SSA administrative records. The reference month of December, 1999 is used since that is the most recent December for which data are available. Since the 1996 Panel consists of 36,700 households, the sample of households including SSI recipients is small. The individuals in the sample represent only 0.02 percent of SSI noninstitutionalized recipients in December, 1999. Therefore great care should be taken in using this information to make generalizations about the overall SSI recipient population. The data are presented in table V.F2.

Table V.F2.—Percentage of Noninstitutionalized SSI Federally-Administered Recipients in Current-Payment Status with Participation¹ in Selected Programs Based on Data Collected Under Wave 12 of the 1996 Survey of Income and Program Participation, December, 1999

	Male			Female			All
	0-17	18-64	65 or older	0-17	18-64	65 or older	
Number of surveyed individuals reporting SSI Income, December, 1999	73	244	106	45	360	272	1,100
Number of surveyed individuals as a percentage of noninstitutionalized Federally-administered recipients, December, 1999 (in percent)	0.01	0.02	0.02	0.01	0.02	0.02	0.02
Program	(In percent)						
Program participation by SSI recipients, December, 1999							
General assistance	2/	0.6	1.1	2/	3.4	1.3	1.6
Medicaid	95.4	96.1	99.1	89.6	96.7	97.6	96.5
Medicare	2/	31.5	72.1	2/	29.3	85.1	39.9
School breakfast/lunch	74.2	2/	2/	78.0	2/	2/	10.1
TANF	2/	1.2	0.7	2/	11.0	1.8	4.3
Unemployment insurance	2/	2/	2/	2/	2/	2/	2/
Special Supplemental Food Program for Women, Infants and Children (WIC)	2/	2/	2/	2/	6.3	2/	2.1
Program participation by households of SSI recipients, December, 1999							
Energy assistance	8.7	11.8	10.5	11.8	13.3	10.1	11.6
Housing assistance	15.1	6.4	7.0	14.0	14.0	9.4	10.6
Food stamps	40.1	39.4	29.4	31.3	54.4	41.4	43.5

¹ SSI recipients or the households of SSI recipients may participate in more than one of these programs.

² Less than 0.05 percent of SSI recipients in this gender/age grouping participate in the program.

G. RESEARCH ON RELATED TOPICS

The legislative mandate for this report requires inclusion of information about “relevant research on the SSI program by the Social Security Administration (SSA) and others.” Section 1 of this appendix presents information on important research projects undertaken by SSA that have recently been completed. Section 2 describes major ongoing projects. Section 3 presents a bibliography of studies that have been conducted by public and private entities regarding SSI payment levels, recipients, and reform proposals. The bibliography is selective and contains only items published since 1990. References to earlier sources may be found in last year’s edition of this report.

1. Recently Completed Work

a. Policy Evaluation of the Effects of the 1996 Welfare Reform Legislation on SSI Benefits for Children with Disabilities

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 substantially tightened the childhood SSI eligibility criteria. The legislation also required that all SSI children be redetermined based on the adult disability criteria after turning 18 years of age, and that continuing disability reviews be performed every 3 years for children whose disability is expected to improve. Under contract to SSA, the RAND Corporation has completed a study of the effect of the legislation on SSI caseloads and costs and the impact on the children who lost benefits.

The study provides descriptive and quantitative estimates of the effects of the legislation on the children who were on the rolls prior to the enactment of the legislation through analyses of SSA administrative data and currently available survey data. Qualitative data were collected through a limited number of case studies of affected children, their families, and service providers in four States (see Inkelas *et al.* 1999, 2000). In addition, the study provides estimates of the effect of the legislation on entry into the SSI program, the SSI caseload, and program costs, accounting for both terminations and new allowances (see Rogowski *et al.* 2002). The study finds that the long-term effect of the legislation on SSI caseloads and costs is greater than the initial impact. This result stems from reduced entry into the program due to stricter eligibility rules, greater exits from the program due to continuing disability reviews, and the ongoing impact of the annual age-18 redeterminations.

b. Analyses Using SSA’s Model of Financial Eligibility for SSI

Using Survey of Income and Program Participation (SIPP) data matched to administrative records, SSA researchers have developed a model of financial eligibility for SSI that has been used to estimate the rate of participation among eligible elderly and the effects of various options to modify the SSI program (see Davies *et al.* forthcoming). The model suggests that the rate of participation among eligible elderly was about 63 percent in 1991. The model was also utilized to simulate the potential effects of several approaches to expand the SSI program to fight poverty among the elderly. Approaches focusing on incremental changes in the Federal benefit rate, the general income exclusion, and the asset test appear roughly equally effective in reducing the poverty gap among the elderly on a cost-equivalent basis, while two approaches focusing on relaxing the earned income exclusion are less effective. The financial eligibility model has also been utilized to study eligibility for Medicare buy-in programs (see Rupp and Sears 2000).

2. Ongoing Research

a. National Survey of Children with Families

Due to the widely acknowledged shortcomings of existing data sources for evaluating the effects of welfare reform on SSI children and for tracking SSI children unaffected by welfare reform, SSA has undertaken to design and implement a national survey of children with disabilities. Among the questions the survey is designed to answer are the following:

- What is the cost of caring for a disabled child?
- What are the uses of SSI benefits?
- What alternative sources of care are available to disabled children who lose SSI benefits?
- How is quality of life and utilization of medical services impacted by gaining or losing SSI benefits?
- What is the impact of receiving childhood SSI benefits on parental labor force participation?

The goal is to collect data that will allow SSA to evaluate future changes to the SSI program that may affect children and to further evaluate the effects of welfare reform on SSI children and their families. Data collection for the survey will be completed in summer, 2002, and data files are expected in the fall.

b. Evaluation of the State Partnership Initiative Return-to-Work Demonstrations

In the fall of 1998, the Social Security Administration and the Department of Education announced the award of 12 SSA cooperative agreements and 6 Rehabilitation Service Administration systems-change grants under State Partnership Initiatives (SPI). SPI projects are designed to assist States in developing alternative program structures and service delivery systems to increase employment of persons with disabilities who are receiving SSI or SSDI.

Mathematica Policy Research, Inc. (MPR), under contract to SSA, is designing and testing an evaluation methodology for the SSA SPI projects. The core evaluation will rely on SSA administrative data and will use appropriate methods to define comparison groups and determine the net impact of SPI interventions on participants. A supplemental net-outcome evaluation will take advantage of any additional data provided by individual SPI projects. MPR is testing its evaluation methodology and will provide its final report in September 2002.

c. Evaluation of the Ticket to Work

The evaluation of the Ticket to Work and Self-Sufficiency program will examine the following:

- Total and net costs of the program,
- The impact of the program on beneficiary work outcomes and reliance on SSA benefits,
- The individual and service provision characteristics of service providers and provider networks,
- The adequacy of incentives for providers to supply services,
- The appeal of the program among the eligible population, and
- The satisfaction of participants with the program in general.

To the degree possible, the evaluation will utilize information from SSA administrative data and from the Ticket to Work program implementation process. Such data will be insufficient, however, to cover many of the evaluation topics required under the legislation, particularly the analysis of nonparticipation among eligible beneficiaries. A significant survey effort will therefore be required to supply the necessary supplemental information to meet these evaluation requirements. The design of the evaluation is largely complete, and SSA expects to issue a contract to implement the evaluation in fall 2002. SSA is also holding a technical workshop in May 2002 to obtain advice from outside experts on the adequacy of incentives for providers to supply services to people with significant disabilities.

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H. GLOSSARY

Administrative Expenses (or Costs). Expenses incurred by the Social Security Administration (SSA) in administering the Supplemental Security Income (SSI) program. Such administrative expenses are initially paid from the OASI and DI Trust Funds as provided for in section 201(g)(1) of the Social Security Act. The trust funds are subsequently reimbursed for such expenditures, including any interest lost, from the General Fund of the Treasury.

Affidavit of Support. A contract under which a United States citizen or legal resident agrees to provide support to maintain (i.e., to sponsor) an immigrant as a condition of the immigrant's admission into the United States.

Aged. Individuals aged 65 or older.

Aid—Old-Age Assistance (OAA), Aid to the Blind (AB), and Aid to the Permanently and Totally Disabled (APTD). The former Federal-State programs of adult cash assistance under titles I, X, and XVI respectively, that were replaced in the 50 States and the District of Columbia by the SSI program in 1974. These programs still operate in Guam, the Virgin Islands, and Puerto Rico and are administered at the Federal level by the Secretary of Health and Human Services.

Alien Lawfully Admitted for Permanent Residence. A noncitizen lawfully accorded the privilege of residing permanently in the United States. Such individuals may be issued immigrant visas overseas by the Department of State, or adjusted to permanent resident status while living in the United States by the Immigration and Naturalization Service.

Appeal Rights Process. The administrative review process followed by SSA in determining an individual's rights under the Social Security Act. The administrative review process consists of several steps, which must be requested after the initial determination of eligibility, within certain time periods and in the following order: (1) reconsideration, (2) hearing before an administrative law judge, and (3) an Appeals Council review. SSA introduced a modification of this process in 10 States for disability applications filed October 1, 1999 and later. Under this revised process appeals of initial disability denials are made directly to the Office of Hearings and Appeals (OHA), thereby eliminating the reconsideration step. The options for appeal beyond the OHA level are unchanged.

Assistance Based on Need. Assistance that is provided by certain programs which use income as a factor of eligibility. The assistance must be funded wholly by a State, a political subdivision of a State, or a combination of such jurisdictions.

Assumptions. Values relating to future trends in certain key factors which affect the eligibility for SSI benefits and the level of such SSI payments. Demographic assumptions include fertility, mortality, net immigration, marriage, divorce, retirement patterns, disability incidence and termination rates, and changes in the labor force. Economic assumptions include unemployment, average earnings, inflation, interest rates, and productivity. The assumptions underlying the projections presented in this report are consistent with the intermediate assumptions of the 2002 OASDI Trustees Report.

Asylee. A noncitizen already in the United States or at a port-of-entry who is granted asylum in the United States. Asylum may be granted to an individual who is unable or unwilling to return to his/her country of nationality, or to seek the protection of that country, because of persecution (or a well-founded fear of persecution) based on the noncitizen's race, religion, nationality, membership in a particular social group or political opinion.

Attendant Care Services. Services (including personal care assistance) that are paid for from Federal, State or local funds and which are provided by a paid attendant required to assist with work related and/or personal functions.

Automatic Cost-of-Living Increase. The annual increase in SSI Federal benefit rates, effective for January of the current year, reflecting the change in the cost of living. The increase equals the percentage increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers measured from the average over July, August, and September of the second preceding year to the average for the same 3 months in the preceding year. If the increase is less than one-tenth of 1 percent, when rounded, there is no automatic increase for the current year; the increase for the next year would reflect the increase in the cost of living over a 2-year period.

Award. An administrative determination that an individual is eligible for an SSI benefit.

Blind. For purposes of the SSI program, an individual is considered to be blind if he/she has 20/200 or less vision in the better eye with the use of a correcting lens, has tunnel vision of 20 degrees or less, or met the October 1972 State definition of blindness and received benefits under the State's former program of Aid to the Blind in December 1973.

Blind Work Expenses (BWE). Any expenses incurred by a blind individual that are reasonably attributable to earning income. The BWE provision permits the exclusion of these expenses from the earned income of a blind individual. (See "Impairment-Related Work Expenses (IRWE)" for the related exclusions for disabled individuals.)

Burial Funds. A comprehensive term that for SSI purposes includes revocable burial contracts, trusts and other burial arrangements (including amounts paid on installment sales contracts for burial spaces), cash, accounts, or other financial instruments with a definite cash value clearly designated for the individual's burial expenses.

Child. An unmarried blind or disabled individual who is not the head of a household and who is either under age 18 or aged 18-21 and regularly attending school.

Comparable Severity. The phrase in the Social Security Act that defined disability for children prior to the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104-193). Under prior law, an individual under age 18 would have been considered disabled if he/she had an impairment of comparable severity to that required for individuals 18 or older.

Constant Dollars. Dollar amounts adjusted by the CPI to the value of the dollar in a particular year.

Consumer Price Index (CPI). Relative measure of inflation. In this report, all references to the CPI relate to the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W).

Continuing Disability Review (CDR). An evaluation of an individual's impairment(s) to determine whether the person is still disabled within the meaning of the law for purposes of eligibility for SSI and OASDI benefits.

Cost-of-Living Adjustment (COLA). See "Automatic Cost-of-Living Increase."

Countable Income. An individual's income less all-applicable exclusions. This amount is used to determine SSI eligibility.

Countable Resources. The amount of resources after all exclusions. This amount is used in determining an individual's or couple's SSI eligibility. A resource may be cash or other liquid assets or any real or personal property that an individual (or his/her spouse) owns and could convert to cash to be used for their support and maintenance. SSI law stipulates what items are to be excluded from resources.

Current Dollars. Amounts expressed in nominal dollars with no adjustment for inflationary changes in the value of the dollar over time.

Current-Payment Status. Status of an SSI recipient to whom a benefit is being paid for a given month. SSI benefits for a month are usually payable on the first day of that month.

Dedicated Account. A bank account established for a disabled or blind child to contain retroactive SSI payments that exceed six times the Federal benefit rate (FBR) plus State supplementation (certain smaller retroactive payments may be placed in the account once it is established). Funds may be used for:

- Education,
- Personal needs assistance,
- Special equipment or housing modifications,
- Medical treatment,
- Therapy or rehabilitation, or
- Other items or services that the Commissioner deems appropriate—

provided that the expense benefits the child and, in the case of the last four items, is related to the child's impairment. Money from a dedicated account which is misapplied must be repaid. These accounts are excluded from resources and the interest earned is excluded from income.

Deeming. The process by which the income and resources of an ineligible individual are considered to be available to a recipient when determining eligibility or payment amount. Deeming applies only between:

- The living-with ineligible spouse and the eligible spouse,
- The living-with ineligible parent(s) and eligible child(ren) under age 18, and
- The immigration sponsors of some noncitizens and the noncitizen(s).

Demographic Assumptions. See "Assumptions."

Disability. For individuals aged 18 or older, the inability to engage in any substantial gainful activity (SGA) by reason of any medically determinable physical or mental impairment that can be expected to result in death or that has lasted or can be expected to last for a continuous period of at least 12 months. An individual under age 18 must have a medically determinable physical or mental impairment, which results in marked and severe functional limitations and which has lasted or can be expected to last for a continuous period of not less than 12 months.

Disability Determination Services (DDS). Federally funded State agencies that make disability determinations for SSA.

Disaster Assistance. Assistance from Federal programs and agencies, joint Federal and State programs, State or local government programs, and private organizations (e.g., the Red Cross) provided to victims of a Presidentially declared disaster.

Disposal of Resources for Less Than Fair Market Value. Transferring resources, either liquid, real, or personal property, for less than the resources are worth.

Earned Income. For SSI purposes, wages, net earnings from self-employment, remuneration for work in a sheltered workshop, royalties on published work, and honoraria for services rendered are considered earned income. The distinction between earned and unearned income is significant because more liberal exclusions are applied to earned income.

Earned Income Exclusion. The first \$65 of a recipient's monthly earnings and one-half of the earnings in excess of \$65 are excluded in computing the SSI benefit payable.

Earned Income Tax Credit (EITC). A special tax credit that reduces the Federal tax liability of certain low-income working taxpayers. This tax credit may or may not result in a payment to the taxpayer.

Economic Assumptions. See "Assumptions."

Effective Date of Application. An application for SSI benefits is effective on the first day of the month following the date on which the application is filed, or on which the individual first becomes eligible, whichever is later.

Eligible Couple. Two persons married and living together in the same household or living together as married, both being aged, blind, or disabled and eligible for SSI.

Eligible Individual. An aged, blind or disabled person who meets all the requirements for eligibility under the SSI program, including filing an application.

Emergency Advance Payments (EAP). Special SSI payments that are available only at the time of initial application for eligible individuals who face financial emergencies and need assistance before their first benefits would otherwise be received. The amount of the EAP an individual receives is recovered from subsequent benefit payments.

Federal Benefit Rate (FBR). The basic standard used in computing the amount of Federal SSI benefits for individuals and couples. The FBRs are increased annually to reflect increases in the cost of living. (See table IV.A2.)

Fiscal Year (FY). The accounting year of the United States Government. Since 1976, a fiscal year is the 12-month period ending September 30. For example, fiscal year 2002 began October 1, 2001 and will end September 30, 2002.

Food Stamps. The U.S. Department of Agriculture (USDA), under cooperative Federal-State agreements, issues Food Stamp Program benefits in the form of paper food coupons (commonly known as food stamps) and through electronic benefit transfer, to provide nutrition for low-income families. Food stamps can be used only to buy food at stores authorized by USDA to accept them.

General Fund of the Treasury. Funds held by the Treasury of the United States, other than receipts collected for a specific purpose (such as Social Security) and maintained in a separate account for that purpose.

Gross Domestic Product (GDP). The total market value of goods and services produced by labor and property located in the United States, regardless of who supplies the labor or property.

Holding-Out Marriage. A situation in which a man and woman who are not legally married to each other are living together in the same household and holding out to the community that they are husband and wife and, as such, are treated as a couple for purposes of determining eligibility and payment amount under SSI.

Home Energy Assistance. A Federal Government block grant program that provides funds to States for energy assistance (including weatherization) to low-income households. This assistance may be provided by a variety of agencies (e.g., State or local welfare offices, community action agencies, special energy offices, etc.) and may be known by a variety of names (e.g., Low Income Home Energy Assistance Program (LIHEAP), Project Safe, etc.).

Household. A group of two or more individuals who use a single dwelling unit as primary quarters for living and eating separate from other individuals' living units.

Household of Another. An individual is considered to be living in the household of another when the individual lives with others, does not own or rent the shelter, and does not pay a pro rata share of the household's food and shelter expenses. An individual who provides all of his/her own food, or lives in a

public assistance household or in noninstitutional care, is not considered to be living in the household of another. An individual who is determined to be living in the household of another is considered to be receiving in-kind support and maintenance from that household, and his/her SSI benefit is reduced by one-third of the FBR.

Impairment-Related Work Expenses (IRWE). The provision that permits the exclusion from earnings of the costs of items and services which are needed in order for a disabled individual to work, which are paid for by the individual, and which are necessarily incurred by that individual because of a physical or mental impairment. These IRWE's are excluded from earnings when determining substantial gainful activity (SGA) or computing eligibility and ongoing SSI monthly payments. (See "Blind Work Expenses (BWE)" for the related exclusions for blind individuals.)

Income. See—"Earned Income," "In-Kind Income" and "Unearned Income."

Individual Development Account (IDA). A savings account which low-income individuals, including SSI recipients, may establish in order to save for purchasing a first home, meeting the costs of post-secondary education, or capitalizing a business. An individual's deposits into an IDA are matched by a sponsoring nonprofit organization, or State or local government participating in the program.

Ineligible Spouse. The husband or wife of an eligible individual who is not eligible for SSI benefits.

Inflation. An increase in the volume of money and credit relative to available goods, resulting in an increase in the general price level.

Infrequent or Irregular Income. Income that is received either infrequently or irregularly that can be excluded from the determination of an individual's income, provided that the total of this income does not exceed \$10 per month of earned income and \$20 per month of unearned income. Infrequent means that it is not received more than once in a calendar quarter from a single source. Irregular means that an individual could not reasonably expect to receive the income.

Initial Determination. A determination SSA makes about an individual's eligibility for benefits or about any other matter that gives that person a right to further administrative and/or judicial review.

In-Kind Income. Income that is not cash, but is food, clothing or shelter or something an individual can use to obtain food, clothing or shelter.

In-Kind Support and Maintenance (ISM). Unearned income in the form of food, clothing, or shelter or any combination of these.

Interim Assistance Reimbursement (IAR). The process used for reimbursing for basic assistance provided by a State to an individual either while the individual's application for SSI was pending or during the period in which an individual's SSI benefits were suspended. SSA may reimburse a State that has provided this assistance. The individual's retroactive SSI payment is sent to the State as reimbursement if: (1) the State has an agreement with SSA to participate in IAR, (2) the individual has given SSA written authorization to have his/her retroactive payment sent to the State as reimbursement, and (3) the individual is found eligible for SSI benefits or has had his/her benefits reinstated for the same period of suspense.

Under IAR, after States reimburse themselves from an individual's retroactive benefit, they must forward any remainder to the individual within 10 days.

Living With. A required condition for parent-to-child and spouse-to-spouse deeming. Deeming of income and resources occurs if an eligible child lives with his/her ineligible parent(s) or an eligible individual lives with his/her ineligible spouse.

Maintenance-of-Effort. See "Passalong."

Mandatory State Supplementation. See "State Supplementation."

Means-Testing. The measuring of income and resources against specified amounts as eligibility factors for certain assistance benefits. SSI is a means-tested benefit program.

Medicaid. The program authorized under title XIX of the Social Security Act, which provides medical assistance to certain low-income individuals and families and certain disabled and medically needy individuals. Medicaid is administered by the States with support from the Federal Government in the form of matching grants. The Federal Government provides guidelines to the States for formulating their programs. Because these guidelines afford great leeway, Medicaid programs vary widely among the States.

Medicaid Facility. A medical treatment facility such as a hospital, extended care facility, nursing home, or intermediate care facility, where Medicaid pays more than 50 percent of the cost of a person's care.

Medical Facility. An establishment that makes available some treatment or services in addition to food and shelter to four or more persons who are not related to the proprietor.

New Entrant. An SSI recipient in the first month of SSI payment receipt.

Noncitizen. An individual who is not a United States citizen. Also referred to in welfare and immigration law as an alien. (See "Alien Lawfully Admitted for Permanent Residence," "Asylee," "Parolee" and "Refugee.")

Nonqualified Alien. A noncitizen who is not in a qualified alien category for SSI eligibility purposes. Public Law 105-306, the Noncitizen Benefit Clarification and Other Technical Amendments Act of 1998, permanently extended SSI eligibility of all nonqualified aliens who were receiving SSI benefits on August 22, 1996 provided all other eligibility requirements continue to be met.

OASDI. The Old-Age, Survivors, and Disability Insurance programs established under title II of the Social Security Act.

One-Third Reduction. The reduction of an individual's SSI payment that occurs when an individual is living in the household of another. Instead of determining the actual dollar value of in-kind support and maintenance, one-third of the Federal benefit rate is counted as additional income to an individual living in another person's household for a full calendar month and receiving both food and shelter from the household.

Optional State Supplementation. See "State Supplementation."

Overpayment. The payment of more than the amount due for any period, including any amounts of Federally-administered State supplementary payments.

Parent. For SSI purposes, the natural mother or father of the child, or the person who legally adopted the child, or the stepparent who lives in the same household as the child.

Parolee. A noncitizen, who appears to be inadmissible to the inspecting INS officer, but is allowed to enter the United States under emergency humanitarian conditions or when the noncitizen's entry is determined to be in the public interest. Parole does not constitute a formal admission to the United States and confers temporary admission status only, requiring parolees to leave when the conditions supporting their parole cease to exist.

Passalong. A requirement that States must meet in order to be eligible for Medicaid reimbursement. Any State making supplementary payments (see "State Supplementation") after June 30, 1977, must continue making such payments and must pass along any cost-of-living increase to the Federal benefit rate. Two methods are available to ensure that cost-of-living increases are passed on to the recipients.

- *Total Expenditures Method*—State expenditures for supplementary payments in the current calendar year must at least equal expenditures in the preceding calendar year. If expenditures are less in the current year (shortfall), the State must increase expenditures in the next calendar year by an amount at least equal to the shortfall.
- *Payment Levels Method*—States may not lower their supplementary payment for any of the living arrangement categories below their adjusted March 1983 levels. The adjusted level is the State's March 1983 payment level minus that portion of the July 1983 increase in the Federal benefit rate that was not attributable to the increase in the cost of living (i.e., \$10.30 per individual and \$15.40 per couple).

Payment Accuracy. The accuracy rate reflects the percent of dollars in SSI benefits that are paid correctly. One measure of the quality of the SSI program and SSA's stewardship of it, based on reviews conducted by SSA to determine the accuracy of the payment and compliance with national instructions and goals.

Personal Needs Allowance. The amount allowed for an institutionalized recipient's personal needs (currently \$30). If an SSI recipient is in a Medicaid facility, the law requires that the SSI benefit be used only for the recipient's personal needs (i.e., that the institution cannot retain the benefit in repayment of the cost of the individual's care).

Plan for Achieving Self-Support (PASS). A plan that permits a disabled or blind SSI recipient to set aside earned or unearned income and resources for a work goal. The income or resources set aside under a PASS are used to pay for goods or services needed to reach that goal, such as education, vocational training, starting a business, or purchasing work-related equipment. Income and resources set aside under a PASS are excluded from SSI income and resources. SSA must approve an individual's PASS.

Population in the Social Security Area. The population comprised of (i) residents of the 50 States and the District of Columbia (adjusted for net census undercount); (ii) civilian residents of Puerto Rico, the Virgin Islands, Guam, American Samoa and the Northern Mariana Islands; (iii) Federal civilian employees and persons in the Armed Forces abroad and their dependents; (iv) crew members of merchant vessels; and (v) all other U.S. citizens abroad.

Presumptive Disability or Blindness. A finding that SSI payments may be made before SSA makes a formal determination as to whether or not the individual is disabled or blind. The individual's impairment must be apparent and meet specified criteria. In addition, the individual must meet all other requirements for eligibility. These payments may be made for no more than 6 months. The presumptive payments will not be considered overpayments if SSA later finds that the individual is not blind or disabled.

Property Essential for Self-Support (PESS). The real and personal property used in a trade or business, nonbusiness income-producing property and property used to produce goods or services essential to the individual's daily activities. PESS may be excluded from resources under certain conditions.

Proration of Benefits. The method of computing benefit amounts in months in which the individual reacquires eligibility after a month or more of ineligibility. In such months, an individual's SSI benefit will be paid according to the number of days in the month that he/she is eligible, beginning with the first day in the month on which all eligibility requirements are met. In order to determine the benefit payable in a prorated month SSA counts the number of days an individual is eligible in the month. The amount of the individual's regular monthly payment is multiplied by the number of days for which he/she is eligible for benefits. That figure is divided by the number of days in the month for which the benefit is being determined. The resulting amount is the amount due for the prorated month. After 1996, proration for months of initial eligibility was eliminated.

Public Educational Institution. An institution that is operated by or controlled by the Federal Government, a State, or a political subdivision of a State such as a city or county for the primary purpose of providing educational or vocational training.

Public Emergency Shelter. A shelter for individuals whose homelessness poses a threat to their life or health.

Public Institution. An institution that is operated by or controlled by the Federal Government, a State, or a political subdivision of a State such as a city or county.

Publicly Operated Community Residence. A facility that provides food and shelter and some other service such as social services, help with personal living activities, training in socialization and life skills, or occasional or incidental medical or remedial care. In order to be publicly operated it must be operated or controlled by the Federal Government, a State, or a political subdivision of a State such as a city or county. The facility must serve no more than 16 residents and must be located in a community setting.

Qualified Alien. An individual who is:

- Lawfully admitted for permanent residence under the Immigration and Nationality Act (INA);
- A refugee under section 207 of the INA;
- An asylee under section 208 of the INA;
- A person whose deportation is withheld under section 243(h) of the INA as in effect prior to April 1, 1997, or whose removal has been withheld under section 241(b)(3) of the INA;
- A parolee under section 212(d)(5) of the INA for at least one year;
- A person granted conditional entry under section 203(a)(7) of the INA as in effect prior to April 1, 1980;
- A Cuban or Haitian entrant as defined in section 501(e) of the Refugee Education Assistance Act of 1980; or
- A certain alien, or an alien parent of a child, or an alien child of a parent who:
 - Has been battered or subjected to extreme cruelty in the United States by a spouse, parent, or certain other family members the alien, parent and/or child lived with;
 - Is not living in the same household with the abusive individual;
 - Has been determined to need SSI because of this abuse; and
 - Has a determination from the INS for a certain change in status.

Qualifying Quarter of Earnings. Credit for a requisite amount of earnings assigned to a calendar quarter for the purpose of determining the SSI eligibility of a lawfully admitted permanent resident.

Quarter of Coverage. The crediting of coverage needed for insured status under the Social Security program. In 2002, a worker receives one quarter of coverage (up to four a year) for each \$870 of annual earnings reported from employment or self-employment. This dollar amount is subject to annual automatic increases in proportion to increases in average earnings.

Recipient. A person who has been awarded SSI payments based on an evaluation of his/her own countable income and resources, age, and disability status.

Reconsideration. The first step in the administrative review process if an individual is dissatisfied with SSA's initial determination.

Redetermination. A periodic review of eligibility for SSI recipients to assure that requirements for eligibility continue to be met and that payment levels are in the proper amount. Income, resources, living arrangements and other factors are reviewed. The redetermination process does not review the determination of disability.

Refugee. A noncitizen outside of his/her country of nationality who is unable or unwilling to return to his/her country of nationality or to seek the protection of that country because of persecution (or a well-founded fear of persecution) based on the noncitizen's race, religion, nationality, membership in a particular social group or political opinion. Unlike asylees, refugees apply for and receive this status prior to entry into the United States.

Relocation Assistance. A type of assistance provided to persons displaced by projects that acquire real property. Examples of types of reimbursement, allowances, and help provided are:

- Moving expenses,
- Reimbursement for losses of tangible property,
- Displacement allowances,
- Amounts required to replace a dwelling which exceed the agency's acquisition cost for the prior dwelling,
- Rental expenses for displaced tenants,
- Amounts for down payments on replacement housing for tenants who decide to buy,
- Mortgage insurance through Federal programs with waiver of requirements that borrowers must usually meet, and
- Replacement housing.

Representative Payee. A person who receives SSI payments on behalf of an SSI recipient. SSA will pay benefits to a representative payee on behalf of an individual 18 years old or older when it appears that such method of payment will be in the interest of the individual. A representative payee will be appointed if the individual is legally incompetent or mentally or physically incapable of managing or directing the management of his/her benefits. Also, in general, if the individual is under the age of 18, a representative payee will be appointed.

Resident of a Public Institution. An individual who can receive substantially all of his/her food and shelter while living in a public institution is considered a resident of the public institution. Generally, an individual who is a resident of a public institution throughout a month is ineligible for SSI.

Resident of the United States. A person who has established an actual dwelling place within the geographical limits of the United States with the intent to continue to live in the United States. (See "United States.")

Resource. The cash or other liquid assets or any real or personal property of an individual (or his/her spouse, if any) that he/she could use or could convert to cash to be used for his/her support and maintenance.

Retroactive Payments. The SSI payments made in a month later than the month or months in which they were due. Also referred to as "past-due" benefits.

Retrospective Monthly Accounting (RMA). The calculation method used in the SSI program to determine an individual's eligibility for each month. RMA has two parts: an eligibility determination and a payment computation. If the individual is ineligible based on the current month's factors (including the current month's countable income), no payment is due and none is paid. If the individual is eligible based on the current month's factors, payment is computed. The benefit for a month is generally based on the countable income from the second month before the current month. The basic formula is to subtract the countable income from 2 months previous from the current month's Federal benefit rate.

Section 1619(a) Status. The special SSI cash benefits provided to disabled individuals who lose eligibility for SSI benefits under the regular rules because they have earnings at the level that is ordinarily considered to represent substantial gainful activity.

Section 1619(b) Status. The special SSI recipient status for Medicaid purposes provided to working disabled or blind individuals when their earnings make them ineligible for regular or special cash payments.

Sponsor. An individual who has signed an affidavit of support for a noncitizen entering the country.

State Supplementation. The payments made by a State or one of its political subdivisions to aged, blind, or disabled individuals.

- *Administration*—The governmental unit responsible for administering State supplementary payments may be either a State or local agency or SSA. Under State administration, the State must absorb both program benefits and administrative costs. Under Federal administration, the State is responsible for the program benefits and, as of January 1, 2002, pays an \$8.50 administrative fee for each benefit paid.
- *Mandatory Supplementation*—The supplementary payments that are made only to beneficiaries who were converted to the SSI program from former State assistance programs at the inception of the SSI program. Mandatory minimum State supplementary payments are required to maintain the December 1972 payment levels that these beneficiaries received under the former State assistance programs. States are required to provide the supplementation to maintain their Federal matching funds for Medicaid.
- *Optional Supplementation*—The payments made by States to help persons meet needs not fully covered by Federal SSI benefits. The State determines whether it will make a payment, to whom, and in what amount. These supplements, paid on a regular monthly basis, are intended to cover such items as food, shelter, clothing, utilities, and other daily necessities. Some States provide optional supplementary payments to all persons eligible for SSI benefits, while others may limit them to certain SSI recipients such as the blind or residents of domiciliary-care facilities, or they may extend payments to persons ineligible for SSI because of SSI income.

Statutory Blindness. See "Blind."

Student Earned Income Exclusion (SEIE). An earned income exclusion for an individual who is under age 22, regularly attending school and neither married nor the head of a household, with certain limitations established by regulations. Currently, up to \$1,320 earned income in a month, but no more than \$5,340 per year, may be excluded.

Substantial Gainful Activity (SGA). The level of work activity used to establish disability. A finding of disability requires that a person be unable to engage in SGA. Under current regulations, a person who is not statutorily blind and is earning more than \$780 a month (net of impairment-related work expenses) is ordinarily considered to be engaging in substantial gainful activity. For the blind, the amount is \$1,300 a month.

Supplemental Security Record (SSR). The computerized database maintained by SSA and containing identifying information, income, resources and other eligibility factors, for all SSI recipients. The SSR includes the history of SSI payments made to an individual.

Suspension. An ineligibility status which causes the nonpayment of benefits for a period of anywhere from 1 to 12 months for any of a number of reasons such as income or resources over allowable levels, absence from the United States, residence in a public institution, etc. Benefits can resume without reapplication, when all requirements for entitlement are again met. Suspense that lasts more than 12 months results in a termination of the SSI record. (Once a record is terminated, reapplication is necessary.)

TANF. See “Temporary Assistance for Needy Families (TANF).”

Temporary Absence. An individual’s physical move from his/her permanent place of residence that does not constitute a change in living arrangement. In general, a temporary absence is an absence from a permanent residence which is not intended to, and does not, exceed a full calendar month.

Temporary Assistance for Needy Families (TANF). The State grant program of assistance for needy families established by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104-193). TANF replaced the Aid to Families with Dependent Children program.

Termination. For an individual, cessation of benefits, which can occur for a number of reasons, including death, medical improvement, or a period of suspension lasting longer than 12 months.

Terminations. As used in section IV, the net reduction (after accounting for new entrants) in the number of SSI recipients in current-payment status during a period.

Trusts. A legal arrangement involving property and ownership interests. Generally, property held in a trust will be considered a resource for SSI purposes if the assets of the trust could be used for the benefit of the individual or spouse.

Unearned Income. The income that is not earned income. Unearned income may be in cash or in-kind. Some examples of unearned income are:

- Annuities, pensions, and other periodic payments;
- Retirement and disability benefits;
- Veterans’, workers’ and unemployment compensation;
- Alimony and support payments;
- Dividends, interest and certain royalties; and
- Rents.

United States. For purposes of the SSI program, the United States consists of the 50 States, District of Columbia and the Northern Mariana Islands.

Vocational Rehabilitation (VR). The process of restoring individuals with disabilities to the fullest physical, mental, vocational, and economical usefulness of which the person is capable. VR services are designed to provide an individual with the training or other services that are needed to return to work, to enter a new line of work or to enter the workforce for the first time.

Windfall Offset. A provision to prevent a person from receiving monthly SSI and OASDI benefits in excess of the total amount which would have been paid if the OASDI benefits had been paid when they were due rather than retroactively.

Work Incentives. Provisions in the SSI program that are intended to act as incentives for disabled or blind individuals to work. Examples of work incentives under the SSI program are:

- Earned income exclusions,
- Impairment related work expenses,
- Blind work expenses,
- PASS, and
- Section 1619 benefits.

SOCIAL SECURITY ADVISORY BOARD

STATEMENT ON THE SUPPLEMENTAL SECURITY INCOME PROGRAM

Public Law 104-193 requires that members of the Social Security Advisory Board be given an opportunity, either individually or jointly, to include their views in the Social Security Administration's annual report to the President and the Congress on the Supplemental Security Income (SSI) program.

We appreciate the opportunity to present our views on this important program and we have asked the Social Security Administration to include the following statement of views in this year's annual report, due May 30, 2002.

VIEWS OF THE BOARD REGARDING THE INTEGRITY OF THE SSI PROGRAM

In its comments in previous annual reports, the Board has discussed a broad range of issues and recommendations. In this report, we will confine our comments to one aspect of the SSI program, namely SSA's obligation to ensure that the public's funds are responsibly expended.

In March 2002, the Board issued a report titled *SSA's Obligation to Ensure that the Public's Funds are Responsibly Collected and Expended*. In that report, we set forth our concerns that major changes must be made to improve the integrity of SSA's operations. The report was based on the Board's extensive five-year study of SSA's service to the public, of which program integrity is an integral part.

Taxpayers who support the Social Security and SSI programs must be confident that their tax dollars are accurately collected and expended. Claimants and beneficiaries must believe that program rules and procedures are rigorously followed and that the benefits they and others receive are accurately paid.

The following comments highlight aspects of the integrity of the SSI program that the Board believes need to be improved and our recommendations for improvement.

MAJOR AREAS THAT NEED TO BE STRENGTHENED

Accuracy of SSI payments

Since 1997, when the General Accounting Office added the SSI program to its list of government programs at high risk of fraud, waste, abuse, and mismanagement, SSA has given increased attention to the problem of inaccuracy of SSI payments. Despite SSA's efforts to improve the SSI determination and redeterminations processes, however, the 2000 overpayment accuracy rate of 93.6 percent is only fractionally above the 1997 level of 93 percent. Both of these rates are below those reported in earlier years. For

example, in fiscal year 1991, the SSI overpayment accuracy rate stood at 96.2 percent. Underpayments are also a problem, although of lesser magnitude. The underpayment accuracy rate for 2000 was 98.6 percent. In 1991, it was 98.9 percent.

The dollar amounts involved are substantial. In 2001, SSA detected overpayments of nearly \$2 billion. In 2000 (the last year for which data are available), SSA estimated underpayments at \$440 million.

The agency points to a number of initiatives that it is pursuing to improve payment accuracy, including gaining easier access to bank account balance information; improving the quality of SSI adjudications, particularly redeterminations; and improving efficiency in identifying and processing changes that affect payments. In addition, the agency states that its recently developed Corrective Action Plan for SSI outlines initiatives and pledges explicit executive accountability for results. But as the agency has acknowledged, up to now the initiatives it has taken have been hampered by resource constraints, which have limited its ability to take the corrective actions that are necessary to avoid payment errors.

Although conducting redeterminations is one of the most useful mechanisms that the agency has to prevent and identify SSI payment errors, over the last decade program growth has far outstripped the growth in the number of redeterminations. Over the period 1990 – 2001, the number of SSI beneficiaries increased by 39 percent, but the number of redeterminations increased by only 10 percent. In recent years, however, the agency has attempted to make the redetermination process more efficient by increasing the number of redeterminations of cases it believes are at high risk of error. This year the Commissioner has decided to provide an additional \$21 million to increase the number of redeterminations. In fiscal year 2003, the agency is committed to conducting 2.45 million redeterminations. These actions are to be commended. However, unless more staff is made available, SSA may have to put other important workloads on hold, creating other problems.

Throughout SSA's field operations there is widespread concern about the agency's capacity to properly administer the SSI program. In our visits to field offices, employees have told the Board that they sometimes do not pursue certain lines of questioning, such as the details of an individual's living arrangements, because it takes too long to resolve the issues that may be raised. They have told us that they are also unable to process reports of earnings or changes in living arrangements as promptly as they should because of competing priorities.

A number of agency employees have told the Board that many SSI claims are currently being paid based largely on allegations. They recommended that more information be obtained at the initial interview to ensure correct entitlement to benefits.

These comments reflect the fact that policies relating to eligibility for SSI are complex and difficult to administer. The General Accounting Office has criticized the agency for failing to be more active in dealing with SSI problems and in carrying out its

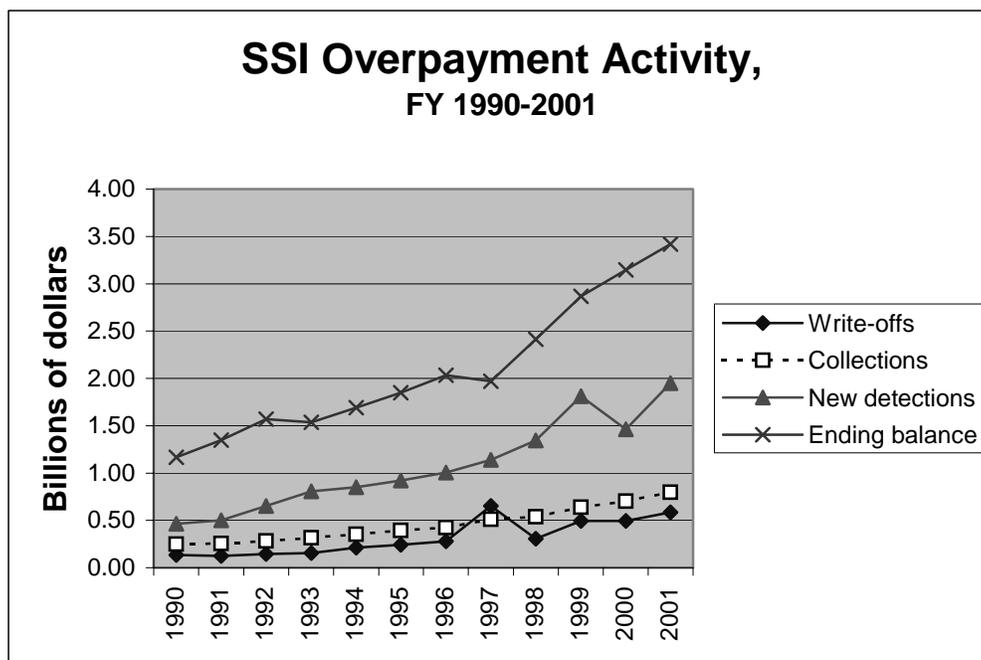
planning and policy development role. The GAO has also observed that SSA's organizational culture places a higher priority on processing and paying claims than on controlling expenditures by verifying financial eligibility and deterring fraud and abuse.

Both the GAO and the Office of the Inspector General (OIG) have stated that SSA needs to commit more time and energy on training field office employees who do the frontline work of obtaining and verifying information from SSI applicants. Both have also urged the agency to change the way it measures work so as to provide rewards for preventing overpayments and fraud as well as rewarding the processing of claims.

As the result of its own work, the Board believes that the concerns of the GAO and OIG are well founded and that the agency needs to take appropriate action.

Collection of overpayments

Although the amount of SSI overpayments that SSA has collected has increased every year since 1990, the amount of newly detected overpayments has grown more rapidly. As a result, the balance of outstanding overpayments at the end of the year has more than tripled since 1990.



Debts to the government such as these have prompted Congressional action. Over the last decade the Congress has authorized government agencies to use a number of collection tools that have increased substantially their ability to collect debt. SSA has been gradually implementing these tools, and many of them are now in use.

Three tools that have been authorized for collection of SSI overpayments but for which implementation is not yet scheduled include collecting debt from an individual who is a Federal employee by withholding from the employee's salary, charging interest, and using private collection agencies.

SSA has told the Board that implementation of the numerous tools that have been authorized is labor intensive, requiring coordination among components of SSA and between SSA and other agencies. They also require new systems developments. Because of resource limitations, SSA has followed a policy of prioritizing those that the agency thinks will have the biggest payoff, but progress has been exceedingly slow.

Not all overpayments are subject to the use of SSA's collection tools. The law provides that beneficiaries who are overpaid may request a waiver, which the agency may grant under certain conditions. If a debt has been waived there are no additional attempts to collect it.

The Office of Inspector General has raised questions about SSA's waiver practices. In a review of 26,000 Social Security waivers granted by the agency between August 1996 and June 1997, the OIG found that nearly nine percent of the waivers were incorrectly granted and half were inadequately supported. An SSA executive recently told the Board that field offices often do not pursue overpayment collection because the staffs are too busy. It is easier for them to waive the debt.

Collecting overpayments is highly cost-effective. According to SSA, the cost of collecting a dollar of overpayments is currently about 11 cents. SSA should be moving more effectively and aggressively to collect overpayments if it is to properly discharge its stewardship responsibilities.

Accuracy of disability determinations

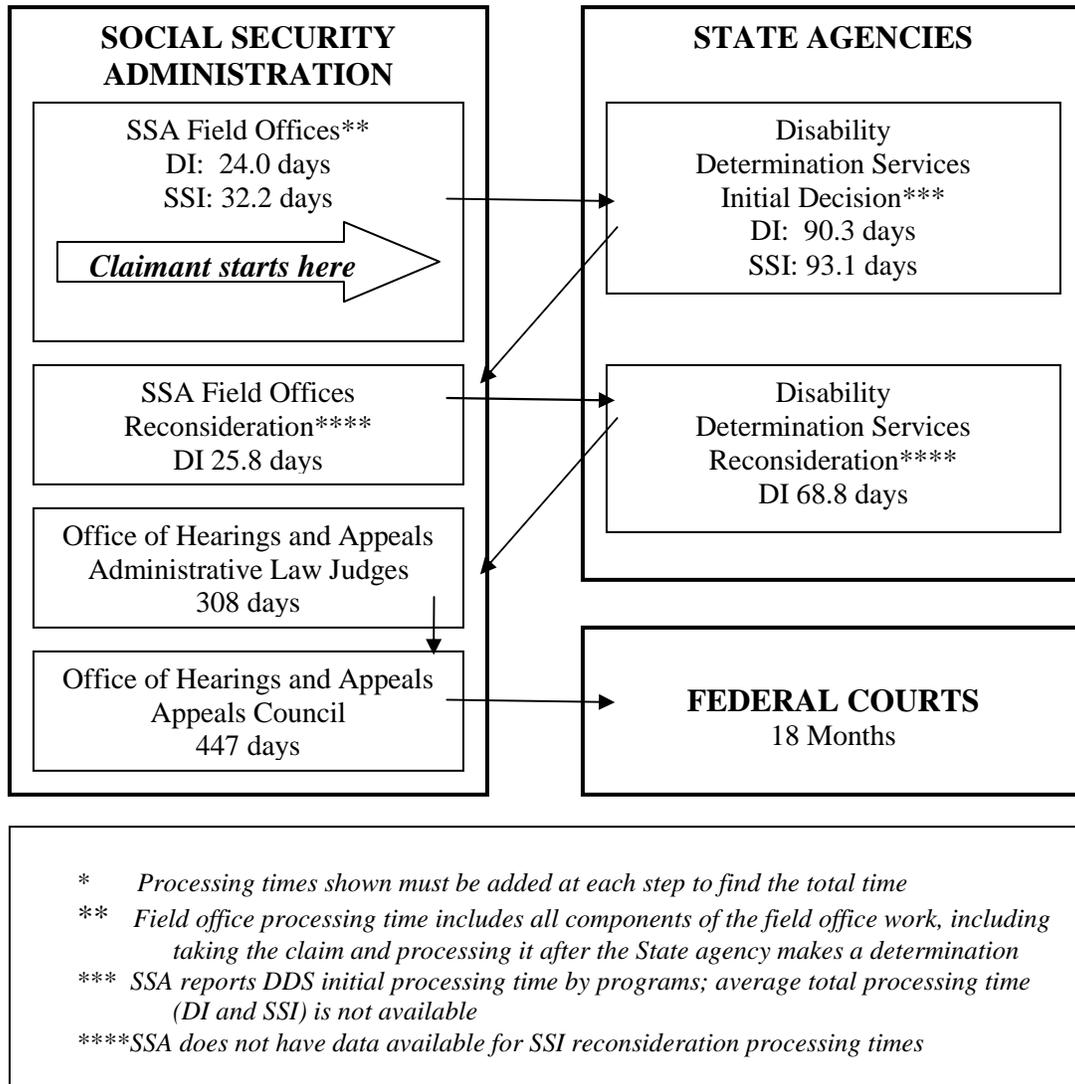
Disability determinations are a large part of the agency's SSI workload. More than 80 percent of current SSI recipients are receiving benefits because of disability. SSA expects to receive more than 1.5 million SSI disability claims this year.

Of all the functions performed by SSA, none is more complex and labor intensive than determining whether an individual is eligible for disability benefits. Providing the highest possible quality of decision making constitutes one of the agency's most difficult stewardship challenges. As the Board has emphasized in reports on SSA's disability programs issued in August 1998 and January 2001, there is urgent need for improvement.

Data developed by the Board show large inconsistencies in decision making over time, among regions of the country, and between State agency and ALJ levels of adjudication. Allowance and denial rates, both overall and for specific impairment categories, vary widely from State to State and region to region. The inconsistencies that the Board has documented raise fundamental questions about whether claimants are being treated fairly. There is a widely held belief among disability adjudicators and

others who have studied the disability programs that the agency's own policies and procedures, as well as organizational structure, are significant causes of inconsistency in decision making.

**DI and SSI Claims Process:
Steps and Average Processing Time*
FY 2001**



The question of whether the agency's disability decisions are fair and accurate involves large sums of money, both from the standpoint of individual claimants and from the standpoint of the government. The value to an individual over a lifetime of being awarded SSI benefits has been estimated at \$40,000. When Medicaid is included the value increases to \$60,000. Although SSA has no statistics as to the dollar value of incorrect decisions either before or after the appeals process, the cost to the government of the agency's incorrect decisions is likely to be quite high.

The complex disability adjudication process is slow and difficult for claimants to negotiate. A claimant who chooses to appeal an initial decision will likely wait another year or more to get a final decision. Appeals are costly to claimants, most of whom turn to an attorney to assist them with their claim. They are also costly to the agency. In 2001, a decision made at the ALJ level cost \$2,157, more than three and a half times the cost of an initial decision at the State agency level (\$583).

The agency's current quality assurance system is of limited value in analyzing overall performance and in providing information that can be used to improve the quality of the work that is being performed. The agency needs to replace it with a new quality management system that will produce the comprehensive program information that policy makers need to guide disability policy and procedures and to ensure accuracy and consistency in decision making.

The adjudication process needs to be reformed. Regulations should be revised to require States to follow specific Federal guidelines relating to educational requirements and salaries for staff, training, carrying out quality assurance procedures, and other areas that have a direct impact on the quality of their employees and their ability to make decisions that are both of high quality and timely.

Reform of the hearing process needs to be considered, including having the agency represented at the hearing, closing the record after the ALJ decision, and establishing new rules for claimant representatives. A recent report to the Board recommended serious consideration of an Article I Social Security Court for appeals from the hearing level.¹ The Board considers the establishment of such a court an important subject that deserves attention.

The Administration and the Congress should continue to provide the agency with the funding it needs to conduct continuing disability reviews (CDRs) to ensure that those who are on the disability rolls continue to meet the criteria for eligibility. SSA will be required to conduct 11.6 million CDRs over the next seven years if it is to comply with the law. It is critical to the integrity of the program that the agency conduct the reviews that the law requires. The CDR process is highly cost-effective. The actuaries estimate that the CDRs conducted in fiscal year 2000 will save \$2.1 billion in SSI program costs over a ten year period.

The Administration and the Congress also need to address the fundamental issue of the current lack of alignment between disability policy and administrative capacity. Over the last decade and a half SSA has issued numerous regulations and rulings that require more time and expertise on the part of disability adjudicators than was the case in the past. Policy should be streamlined and uniformly implemented. The number of cases being appealed to the Federal courts has been increasing rapidly, and the courts have been remanding growing numbers of cases to the agency. The concern the Board has

¹ Paul Verkuil and Jeffrey Lubbers, *Alternative Approaches to Judicial Review of Social Security Disability Cases*, March 1, 2002.

heard is that the agency needs to do a better job of following its own rules and regulations.

Adjudicators in both State agencies and hearing offices are faced with the fact that their workloads are also growing rapidly and resources are constrained. The result is that there is a large gap between policy requirements and the agency's capacity to meet those requirements. To bridge it will require changes in policy, structure, or resources, or – more likely – in all three of these interrelated aspects of the disability system.

Accountability of representative payees

Currently, more than two million SSI beneficiaries, about a third of the total, have their benefits paid to representative payees. The number of representative payees appointed by the agency has been growing rapidly. Between 1990 and 1999, the number of SSI beneficiaries with payees rose 67 percent.

Under the law, representative payees must expend funds only for the beneficiary's use and benefit, report any event that will affect the benefit amount or eligibility, and provide an annual written report explaining how benefits were used.

The agency's implementation of representative payee requirements has been problematic for many years. The 1995-96 Representative Payment Advisory Committee established by SSA raised concerns about the agency's policies for determining whether payees are needed, how payees are selected, and how SSA educates payees about their responsibilities. In its 1996 report the Committee stated, "It is clear that SSA places a premium on speedy case processing to get payments out quickly."

In a December 2001 report the OIG similarly observed that SSA is not performing background checks of payees to determine whether they have financial problems, bad credit, or have been convicted of a felony. In addition, it noted that SSA's systems do not effectively track payees who do not respond to and complete the required representative payee reports.

SSA's own employees have also raised concerns about the quality of representative payees. They have told the Board that pressures to move the work make it difficult or impossible for them to spend the time they need to investigate carefully the qualifications of potential payees, and applicants' claims are ordinarily not verified.

In response to these criticisms and to some notorious cases of abuse by payees, SSA has recently taken steps to improve its administration of the representative payee program. A regional executive told the Board, however, that SSA is just scratching the surface on organizational payee problems. "The problems are deep and it will take a tremendous amount of staff time to resolve them."

The initiatives that SSA has undertaken to provide better oversight of institutional and other large-scale payees are urgently needed. In addition, however, there are nearly

two million SSI beneficiaries whose well being is dependent upon the diligence and integrity of individual payees. It seems clear that if vulnerable beneficiaries are to be protected from misuse of benefits, the agency will need to devote considerably more resources to the task of screening and monitoring payees than it has done heretofore.

WHAT NEEDS TO BE DONE TO FULFILL THE AGENCY'S SSI STEWARDSHIP RESPONSIBILITIES

Improve SSI and disability program policies

Over the last three decades, SSI policy has tended to become more, rather than less, complex, despite the work of a series of special panels that have looked for ways to simplify it. Some of this complexity has been the result of legislative changes. Some has resulted from rules and regulations that the agency itself has promulgated to address issues that have arisen in administering the law.

It is our view that the agency should take the lead in developing measures, however incremental, that will change SSI policy rules so that they will be less difficult for the agency to administer and easier for applicants and beneficiaries to understand and comply with. It will be difficult to reduce erroneous payments to an acceptable level without simplifying policy rules.

The agency also urgently needs to conduct a thorough review of disability policy rules and regulations to determine where changes can and should be made to improve the quality and consistency of decision making. Attention should be given to how these rules and regulations can be written more clearly and simply so that adjudicators in different regions of the country and different levels of decision making will interpret and use them in the same way. Both medical listings and vocational guidelines should be included in this review.

A series of rulings issued by SSA in 1996 need close attention. These rulings are commonly referred to as "process unification" rulings, because they were aimed at bringing State agency and ALJ decisions closer together. The effect of these and other changes in policy is that disability decision making by both State agency examiners and administrative law judges has become considerably more subjective and complex.

As the Board has previously recommended, SSA should bring together into a single policy unit individuals with knowledge and experience in the Office of Disability, the Office of Hearings and Appeals, and the DDSs. We urge the agency to move forward as expeditiously as possible in strengthening its capacity to develop and oversee the implementation of disability program policy.

In addition, given the history of the many difficulties that SSA has had in carrying out the disability policies that it has formulated, there is a demonstrable need for the agency to rigorously assess the potential impact of major policy changes before they are implemented.

Improve the tools the agency uses to measure performance and quality

Many throughout SSA's organizational structure believe that the measures the agency uses are skewed toward speed and productivity and away from other indicators that would provide a better balance in the work that the agency is doing. Because offices' relative productivity influences the allocation of staff, managers throughout the system have an overwhelming incentive to process work as quickly as possible in order to protect their staffing levels. There are no counterbalancing measures of quality at the local level.

It would seem essential that if SSA genuinely wants to ensure the integrity of its programs, it must put into place a more balanced set of measures to drive performance in the field than it currently has.

An outside evaluation of the disability quality system completed last year highlighted the need for change in that system.² It concluded that SSA's current system is of limited value in analyzing overall performance and in providing information that can be used to improve the quality of decisions. What the evaluators recommended is the replacement of the present quality assurance system by a totally new quality management system. The new system would require a definition of quality that would have multiple dimensions (accuracy, timeliness, efficiency, customer service, due process), and would provide information that can be used to improve disability policy and the disability process. It would identify variations in decision making by various components in the system and provide the information needed to address them.

SSA's leadership needs to make fundamental changes in the way the agency conducts its work so that quality becomes a guiding principle for all aspects of its work.

Accelerate systems improvements

In discussions with employees throughout SSA's administrative system, the Board has been told of many areas in which SSA could expedite and improve the quality of its work if its systems capabilities were improved. One of the foremost examples is in the area of disability. For example, SSA has been working on developing and implementing the capacity to create an electronic claims folder for each person who applies for disability benefits. The information in this folder would be accessible by adjudicators at each step of the application and appeals process. The creation of this new folder system would prevent lost documents and speed up the transfer of information from one level of the process to another. SSA's lack of such a system, while it dedicates space to storing masses of paper files and workyears to finding and handling them, is reflective of its systems problems. Until recently SSA estimated that the new system

² *Evaluation of SSA's Disability Quality Assurance (QA) Processes and Development of QA Options That Will Support the Long-Term Management of the Disability Program, Final Report*, prepared by The Lewin Group, Inc. and Pugh Ettinger McCarthy Associates, L.L.C., March 16, 2001.

would not be ready until 2007. It has now committed to accelerating the development to bring the system online in 2004, but that is still a full decade after it was first envisaged.

There is widespread acknowledgement that the work measurement, management information, customer satisfaction, and performance measurement systems all need to be improved, and all require significant systems developments. New systems developments would also be an integral part of the new quality management system that the Board has recommended, as described above.

In addition, there are many specific tools that could be used to improve the integrity of the agency's work. Among those that have been brought to the attention of the Board are the ability to cross-check information about potential representative payees, gain access to State birth and death records, cross-check information with military and Veterans Affairs records, and numerous others.

Although these systems developments will enable SSA to better manage its programs and improve service to the public, it is unlikely that they will result in any significant reduction in the agency's staffing needs. But systems improvements that will enhance the agency's stewardship of its programs are critically needed, and we urge the agency, the Administration, and the Congress to give them the high priority that they deserve.

Expedite decision making

In our discussions with employees at all levels of the agency we have heard a high level of frustration about the fact that it takes the agency so long to decide whether a proposal should be implemented, and even after a decision is made, to put it into effect. We urge the agency to work more quickly and efficiently in assessing proposals for change and in moving forward on those that it finds worthwhile.

Many of the recommendations we have heard relate to changing business processes. One that the Board has heard repeatedly is that the agency should do more to identify problems before they occur. As an SSA executive told the Board, "The key is to prevent errors, not just to find them."

Become more aggressive in working with other agencies

SSA should also explore how it can do more to draw upon the resources of other governmental and non-governmental entities. The Board has heard many recommendations for greater use of computer matches to verify information. SSA should work closely with agencies at all levels, such as the Immigration and Naturalization Service, the Internal Revenue Service, and State welfare offices and Boards of Workers Compensation, to gain access to electronic information while appropriately addressing privacy concerns.

Other agencies can also help SSA fulfill its responsibilities to serve the public appropriately. In particular, in implementing the new Ticket to Work program, the agency should draw upon the expertise and resources of the Departments of Education and Labor to the maximum extent possible.

SSA, like most other government agencies, has tended to look at its functions in isolation. Although progress has been made in recent years in building relationships with other entities, these relationships need to be strengthened further. Other agencies must also be convinced that working with SSA to better meet the needs of the public is worthwhile. Where warranted, the agency should turn to the Office of Management and Budget (OMB) and the Congress for support and assistance in making interagency cooperation and collaboration a high priority.

Ensure that maintaining the integrity of the agency's work is recognized as an agency priority

When SSA issued its strategic plan for 2000 – 2005, it made “ensuring the integrity of Social Security programs, with zero tolerance for fraud and abuse” one of the agency’s five strategic goals. Yet many employees with whom we have met have been outspoken in their concern that the agency is not putting sufficient emphasis on program integrity. In their understanding of agency policy, processing cases quickly is a higher priority than program integrity.

If the agency wants to convince employees in the field that program integrity is highly valued, that message needs to be given real substance. Perhaps the most effective way, as we have noted above, is to make sure that the work that is performed to improve program integrity is reflected in the way the agency measures performance and quality.

Based on our discussions with employees in the field, we believe there should also be more and better training related to program integrity issues.

Program integrity should also be made an integral part of the agency’s budget process. Program integrity activities that the agency proposes to carry out should be explicitly identified and explained. The definition of program integrity that SSA uses in its strategic plan currently includes only payment accuracy. Given the importance of the Social Security number to the integrity of the Social Security and SSI programs, we believe the agency should expand its definition to include integrity in the issuance of Social Security numbers as well.

Ensure that the agency has sufficient staff with the right skills to do the job right

If SSA is to be able to fulfill its stewardship responsibilities, it needs to have sufficient staff with the right skills to carry out the work that is required. But as the Board has documented in the reports it has issued over the last five years, prolonged downsizing has resulted in serious staffing shortfalls in key parts of the agency. We have

observed these shortfalls in offices throughout the country, including field offices, State disability agencies, hearing offices, program service centers, and teleservice centers.

These are the offices that perform the frontline work that is so vital to the integrity of the Social Security and SSI programs. When employees in these offices lack the time that is needed to perform their work carefully and on time, or when there are too few managers and supervisors to train and mentor them, the quality of the agency's work is immediately affected.

SSA has instituted many rules and procedures for finding and correcting errors after they occur, such as issuing computer alerts when electronic cross-checking with other agencies finds discrepant data. But pressures to handle more urgent and immediate work make it difficult for employees to find the time to follow up on these alerts and take the action that is required as promptly as they should. Often the inability to do work in a timely way causes inaccurate payments, creating more work for the agency in the future.

If the agency had additional resources it could also be performing work that would be highly cost effective. Last year, officials in the agency recommended a number of program integrity initiatives that were estimated to save significant amounts of program dollars at relatively low administrative cost. Some are being implemented, but others have been deferred because of lack of staff to carry them out. One of the proposals was to increase the number of SSI redeterminations by one million. This was projected to cost about \$62 million. By targeting the redeterminations on cases identified as highly prone to error, the agency expected to produce overpayment benefits of \$260 million, a return of more than 4:1.

The agency proposed to make an even larger return on investment by providing enough staff resources in field offices to speed up action on computer alerts that identified increases in income or assets that might affect benefit levels. It was estimated that an investment of \$5.2 million would produce taxpayer savings of \$66 million, or a return of nearly 13:1. But both of these actions had to be deferred because of lack of sufficient staff to carry them out.

The agency's budget proposals to the Office of Management and Budget (OMB) and the Congress should reflect the staffing levels the agency believes that it needs to serve the public appropriately and meet its stewardship responsibilities. The agency's budget requests should reflect careful long-term planning and should be fully documented so that OMB and the Congress can understand the implications of the funding decisions that they make.

We believe that OMB and the Congress should agree to remove funding for Social Security's administrative costs from any cap that sets an arbitrary limit on discretionary spending. The agency's budget would continue to be subject to the review of the Congress, which would determine the agency's funding levels as part of the regular appropriations process.

In addition, agreement should be reached to provide funding outside any discretionary spending cap for activities that are demonstrably cost-effective. Spending caps should not apply where savings in benefit outlays more than offset administrative expenditures. Current spending limitations are having the effect of saving administrative dollars at the expense of program dollars. This is counterproductive from the standpoint of taxpayers, and contributes to increases, rather than decreases, in the Federal budget deficit.

THE SSI ANNUAL REPORT

The sixth *Annual Report of the Supplemental Security Income Program* by the Social Security Administration provides a useful review of some program data. However, we continue to be troubled by the fact that the agency is missing an opportunity to use the report to address broad policy issues. We believe policy makers would find it helpful if the agency would use the SSI report as an annual forum for formulating and communicating a comprehensive overview of the program.

We recommend again that the agency use the SSI annual report as more than a statistical report. SSA should consider using it as a way of bringing to the attention of policy makers both the policy issues that it believes need to be resolved and the difficulties the agency is encountering in administering the program. This is vital information that can help the Congress, the Administration, and the public to become better informed about the challenges SSA faces with respect to the program, and the need to address them.

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